

**CITY OF DEXTER
PLANNING COMMISSION
REGULAR MEETING
MONDAY, FEBRUARY 2, 2015**

I. CALL TO ORDER AND ROLL CALL:

The meeting was called to order at 7:30 PM by Planning Commission Chairman Kowalski at the Dexter Senior Center located at 7720 Ann Arbor Street in Dexter, Michigan with roll call.

Matt Kowalski	Thomas Phillips	Jim Carty - ab
Alison Heatley	Marni Schmid	James Smith
Scott Stewart - ab	Tom Stoner	

Also present: Michelle Aniol, Community Development Manager; Carol Jones, Interim City Clerk; Justin Breyer, Assistant to the City Manager; and Jon Carlson, NUBCo.

II. APPROVAL OF THE MINUTES

1. Regular Meeting – January 5, 2015

Motion Smith; support Phillips to approve the minutes of the Regular Meeting of January 5, 2015 as presented.

Unanimous voice vote approval with Carty and Stewart absent.

III. APPROVAL OF THE AGENDA

Motion Smith; support Stoner to approve the agenda with the following changes:

- Move Item A, Revised Proposal from Carlisle Wortman Associates, from New Business to Item B under Old Business.
- Change Item B, discussion of regulations for breweries in New Business, to Item A.
- Move New Business ahead of Old Business on the agenda

Unanimous voice vote approval with Carty and Stewart absent.

IV. PUBLIC HEARINGS

None

V. PRE-ARRANGED PARTICIPATION

None

VI. REPORTS

A. Chairman Report – Matt Kowalski

None

B. Planning Commissioners and Council Ex-Officio Reports

- Mr. Smith commented on the report on the old DAPCO property and recent meeting on a development concept for the property. We don't have to go the route of that proposal.
- There will be a Town Hall meeting on February 28 at the Dexter District Library beginning at 10 AM for a Facility update on the fire hall, City offices and Sheriff's offices.

C. Community Development Office Reports – Michelle Aniol

Ms. Aniol provided her report in the packet. In addition she provided the following updates:

- Mr. Kowalski inquired about the redevelopment of 3441 Broad Street for a European Coffee Shop. Ms. Aniol explained the pre-application meeting and issues from the meeting. Discussion followed.
- The recent ZBA request for signage was withdrawn. Ms. Aniol made Planning Commission aware of the issue that she and the City's Planning Consultant, Carlisle Wortman Associates, share the opinion that either sub-sections 7.03 (1)A or 7,03 (1)D could apply to the Dexter Crossing Commercial Shopping Center, but not both.

VII. CITIZENS WISHING TO ADDRESS THE COMMISSION

None

VIII. NEW BUSINESS

A. Discussion regarding use regulations for breweries/micro-breweries in the RD Research Development District.

Ms. Aniol explained the Northern United Brewing Company (NUBCo) request to set up a product development and production kitchen at its facility at 2319 Bishop Circle East and to have a separate dining area for the public to taste these and other (undefined) products. She explained the current definition of a tasting room in the Zoning Ordinance and state the issue is not the product development or having a production kitchen, the issue is the issue of post production food service. Discussion included but was not limited to the following:

- What would the impact be on the water and sewer system?
- It's not NUBCo's fault we can't figure out the definition of food service.

- Are more foods other than those produced by NUBCo to be served?
- Previous Planning Commission's comments when allowing a tasting room was not to turn the facility into a bar and/or restaurant.
- Objections to bringing in other food products – now this is classified as a restaurant.
- A solution to the zoning issue is to zone as a PUD.
- Would a dining room be a compatible use in and R and D district? Is the Planning Commission open to allowing special uses in the Industrial Park?
- Would like to see an application as food services are permitted by definition. NUBCo needs a planner or architect to advise them as to what to apply for and come back to Planning Commission with an application.
- May need to go to the ZBA. Does Planning Commission want to set the parameters for businesses in the Industrial Park?
- Need for better definitions of what is allowed so that no one has to go through this process again.
- Would like to explore options for uses in Research Park in the long term; go through a process in Section 3.07 for dining area as an accessory use to production kitchens and product development.
- Would consider ordinance revisions, but a dining area needs to be a special use.
- It's permitted; apply for zoning compliance.
- We may need to clean up ordinances and decide what uses we want in the Industrial Park.

Ms. Aniol stated she was not in favor of going to the ZBA for an interpretation.

IX. OLD BUSINESS

Motion Smith; support Phillips to change the order of Old Business with the CWA proposal moved to Item A and the CIP to Item B.

Unanimous voice vote approval with Carty and Stewart absent.

A. Revised Proposal from Carlisle Wortman Associates (CWA) to amend the Zoning Ordinance - Discussion and possible action to recommend approval of revised CWA proposal to Amend and Re-format certain sections of the Zoning Ordinance.

Ms. Aniol explained the amendment updates in the categories of signs, landscape, lighting, PUDs and definitions.

Motion Schmid; support Smith to approve a recommendation to City Council to authorize CWA to proceed with amendments to the zoning ordinance, as outlined in the Revised Ordinance Update proposal, submitted by CWA and distributed at this meeting, in an amount not to exceed \$19,355.

Ayes: Phillips, Heatley, Schmid, Stoner, Smith and Kowalski

Nays: None

Absent: Carty and Stewart

Motion carries

Mr. Phillips left the meeting at 9:19 PM.

B. Capital Improvements Plan (CIP) – Review and discussion regarding proposed updates to the CIP and possible action to schedule a public hearing to consider proposed 2015-2020 Capital Improvements Plan

Motion Smith; support Stoner to set a Public Hearing for the 2015-2020 CIP for March 2, 2015

Ayes: Heatley, Schmid, Stoner, Smith and Kowalski

Nays: None

Absent: Carty, Phillips and Stewart

Motion carries

X. PROPOSED BUSINESS FOR NEXT AGENDA

A. **March 2, 2015:** Public Hearing to consider adoption of the 2015-2020 CIP
Discussion of Meeting Time Change to 7 PM

XI. CITIZENS WISHING TO ADDRESS THE COMMISSION

None

XII. ADJOURNMENT

Motion Smith; support Schmid to adjourn at 9:35 PM.

Unanimous voice vote approval with Carty and Stewart absent.

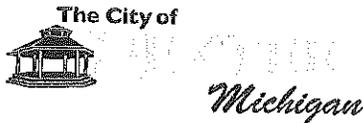
XIII. COMMUNICATIONS

None

Respectfully submitted,

Carol J. Jones
Interim Clerk, City of Dexter

Approved for Filing: _____



OFFICE OF COMMUNITY DEVELOPMENT

8140 Main Street • Dexter, Michigan 48130-1092 • (734) 426-8303 • Fax (734) 426-5614

Memorandum

To: Chairman Kowalski and Planning Commissioners
Courtney Nicholls, City Manager

From: Michelle Aniol, Community Development Manager

Re: Report for February 2, 2015 Planning Commission Meeting

Date: February 25, 2015

3045 Broad Street

- Administration and staff, the Economic Development Preparedness Committee and Jim Smith met with DTE representatives on Monday, February 23rd. The Economic Restructuring Committee includes Mayor Keough, Donna Fisher and Jim Carson. Mayor Keough asked Mr. Smith to attend in place of Ms. Fisher, who was out of town.

DTE presented a cost proposal and preliminary timeline to decommission of the Dexter substation (a/k/a Broad Street sub-station). As you will recall, the City and DTE have been working to decommission and relocate the sub-station in order to facilitate redevelopment of 3045 Broad Street (a/k/a DAPCO property).

According to the representatives, DTE is interested in the land swap with the City, for City owned property on Dan Hoey, which was previously discussed in concept. As you can well imagine, there are many details that have to be worked out, but given that we now have a commitment from DTE, the City and DTE can take the next steps in decommissioning the substation later this year.

Those next steps include developing an agreement with DTE to describe the details of the land swap, the timeline, future permitting of any new substation and new utility poles on the Dan Hoey, etc. Mayor Keough and City Manager Nicholls offered to draft a framework for this agreement.

In addition, Mayor Keough and staff will be working together on a summary schedule of activities/future steps to share with DDA, Council and the Planning Commission. A project of this magnitude really requires that all steps and activities be illustrated on a timeline, in order to understand and make necessary decisions. As the Mayor has said, "we still have a long way to go, but learning that the substation can be decommissioned is a great first step."

- Staff met with our local Michigan State Housing Development Authority (MSHDA) outreach specialist, Nicol Brown, on Wednesday, February 25, 2015. Nicol reviewed the various MSHDA housing and placemaking assistance programs it offers to communities. Staff will report on these programs in greater detail at your April meeting. In the meantime, staff received word that our TMA grant application has been approved, and we should be receiving the grant agreement in about two weeks.

DDA Update

The DDA had a full agenda for its Feb 19th meeting, including the final 3045 Broad Street Redevelopment Ready Sites Report, presented by U of M Professor Allen and Tom Wackerman of ASTI Environmental, and the following discussion items:

- 3045 Broad Street Listing Agreement - The listing agreement between the DDA and Colliers International has expired. Mr. Chaconas' office submitted a request to extend the exclusive listing agreement (for 3045 Broad Street) to a new listing expiration date of December 31, 2015, which

would keep the property in an active status and allow him, as the Broker, to continue to market the property. In addition to Mr. Chaconas' request, Peter Allen approached staff and the Mayor about his desire to represent and assist the City/DDA with the sale and redevelopment of the 3045 Broad Street property. Before acting on Mr. Chaconas' request, the DDA considered the following questions:

- o Since the listing agreement has expired, does the DDA want to extend the listing agreement or enter into a new listing agreement with Mr. Chaconas? **The DDA decided if they select Mr. Chaconas, they would want an entirely new agreement.**
- o Does the DDA want Mr. Allen to submit a written proposal for its consideration? **The DDA invited Mr. Allen to submit a proposal.**
- o Does the DDA want to develop an RFP to select a listing agent? **The DDA voted to post an informal RFP to consider proposal from other brokers/agents, in addition to Mr. Chaconas and Mr. Allen.**
- Letter of Interest from Foremost Development Company regarding the redevelopment of 3045 Broad Street - On February 13, 2015 staff received correspondence from Terry Bailey, President, Foremost Development Company expressing interest in the 3045 Broad Street project. According to Mr. Bailey, Foremost Development Company, located in Birmingham, Michigan, views the Broad Street Development Parcels as "a fantastic opportunity to bring market-rate, luxury housing to downtown Dexter." He also states that Foremosts' development model capitalizes on urban, walkable environments that attract Millennials and empty-nesters.

In the letter Mr. Bailey describes the type of development he envisions and cites the company's housing and brownfield development experience. Mr. Bailey indicates a desire to schedule a meeting "with key staff, consultants, and elected officials to develop an offer to the City of Dexter that fits within the Master Plan and the vision" the City has for the site, as well as downtown.

To help frame the discussion, the DDA considered the following:

- o Identify 1-2 Board members to participate in the meeting requested by Mr. Bailey. **The DDA selected Mayor Keough and Doug Finn.**
- o What are the Board's expectations for a negotiation process? **Discussion to continue**
- o What is the process for persons expressing an interest in the property? **DDA decided that staff is the first point of contact. If there is interest, a letter of interest would be the next step.**
- o What expectations does the DDA have of staff, and DDA/City officials in this process? **The DDA directed staff to send an email to the board when meeting/tour of site is requested.**

A copy of the letter is included in the DDA packet and can be viewed online by clicking the following link: http://dextermi.gov/sites/dextermi.gov/files/client_files/dda/2015/2015-02-19_DDA_Packet.pdf.

- Washtenaw County Mini-Grant program - Washtenaw County has invited us to apply for a Local Economies Economic Development Mini-Grant. This grant program is offered to non-profit groups (including municipalities) to assist in project and events that:
 - o Help to grow local businesses and local jobs
 - o Increase awareness and purchasing of local products and services
 - o Enhance the economic vitality of downtown areas
 - o Promote the agricultural and industrial advantages and products of the county or state; and other projects that result in increased economic vitality within Washtenaw County.

This is the same program the Village of Manchester used to fund a recent Retail Market Study of its downtown. The maximum grant amount available through the mini-grant is \$10,000. The mini-grant can be used for a variety of projects/events.

The DDA had a retail market analysis conducted in 2006, as part of its DDA Development and Tax Increment Financing Plan. There were at least two factors that impacted this study:

- o **Factor 1: The retail market study and subsequent analysis was done prior to the Great Recession.**

The impact of the Great Recession on the economy is widely recognized; significant job loss occurred and, directly proportional, disposable income was dramatically reduced and in many cases eliminated. Even now, consumer confidence continues to lag behind what it was in 2006.

- o **Factor 2: The study occurred at the same time the Harvest Valley proposal was being considered.**

The Harvest Valley proposal called for a wide range of potential land uses, including up to 575 single and multiple family residential units, neighborhood commercial, limited industrial and research and development. The amount of acreage and square footage to be developed for the non-residential uses was not defined. However, the potential impact on retail in the City (then Village) at that time could not be ignored.

Following a productive discussion, **the DDA voted unanimously to move forward with the development of a Request for Proposals (RFP) for a Retail Market Study (to identify a preferred proposal, presumably at its next meeting) and then have staff apply for a mini-grant.**

A copy of the grant guidelines is included in the DDA packet and can be viewed online by clicking the following link: http://dextermi.gov/sites/dextermi.gov/files/client_files/dda/2015/2015-02-19_DDA_Packet.pdf.

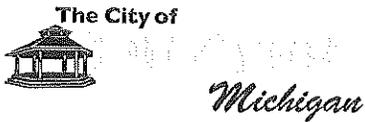
A copy of the current Market Analysis is available online at:

http://dextermi.gov/sites/dextermi.gov/files/client_files/plans/dda_strategic_plan_tab_3.pdf

- o Review Draft Memorandum of Understanding (MOU) for Target Market Analysis (TMA) – The Michigan State Housing Development Authority (MSHDA) strongly suggests the City/DDA enter into a MOU with Chelsea, Saline and Ypsilanti, since there is a requirement to have commenced a project within 3 years of receiving the grant. The agreement ensures that no one community is left holding the bag for another communities grant dollars. Through the MOU, we are each responsible for the amount of grant dollars we would receive. The document does not have to be executed until after we are awarded the grant. A copy of the draft MOU is included in the DDA packet and can be viewed online by clicking the following link: http://dextermi.gov/sites/dextermi.gov/files/client_files/dda/2015/2015-02-19_DDA_Packet.pdf.

Business Update

- o Jack Savas, the new owner of 3441 Broad Street met with the Pre-Application Committee for a second time on Friday, February 20th, to review and discuss his revised concept plan to develop a European style café. Staff anticipates Mr. Savas will be submitting an application for Combined Preliminary and Final Site Plan Review, and that this case could be on the May Planning Commission agenda.

**OFFICE OF COMMUNITY DEVELOPMENT**8140 Main Street • Dexter, Michigan 48130-1092 • (734) 426-8303 • Fax (734) 426-5614

Memorandum

To: Chairman Kowalski and Planning Commissioners
Courtney Nicholls, City Manager

From: Michelle Aniol, Community Development Manager

Re: Council Action on Revised CWA Proposal to Update Zoning Ordinance

Date: February 25, 2015

On Monday, February 23rd, City Council voted to postpone action on the Planning Commission's recommendation to approve the revised CWA proposal. The vote was split 4-3, so you can imagine the discussion that precipitated the vote.

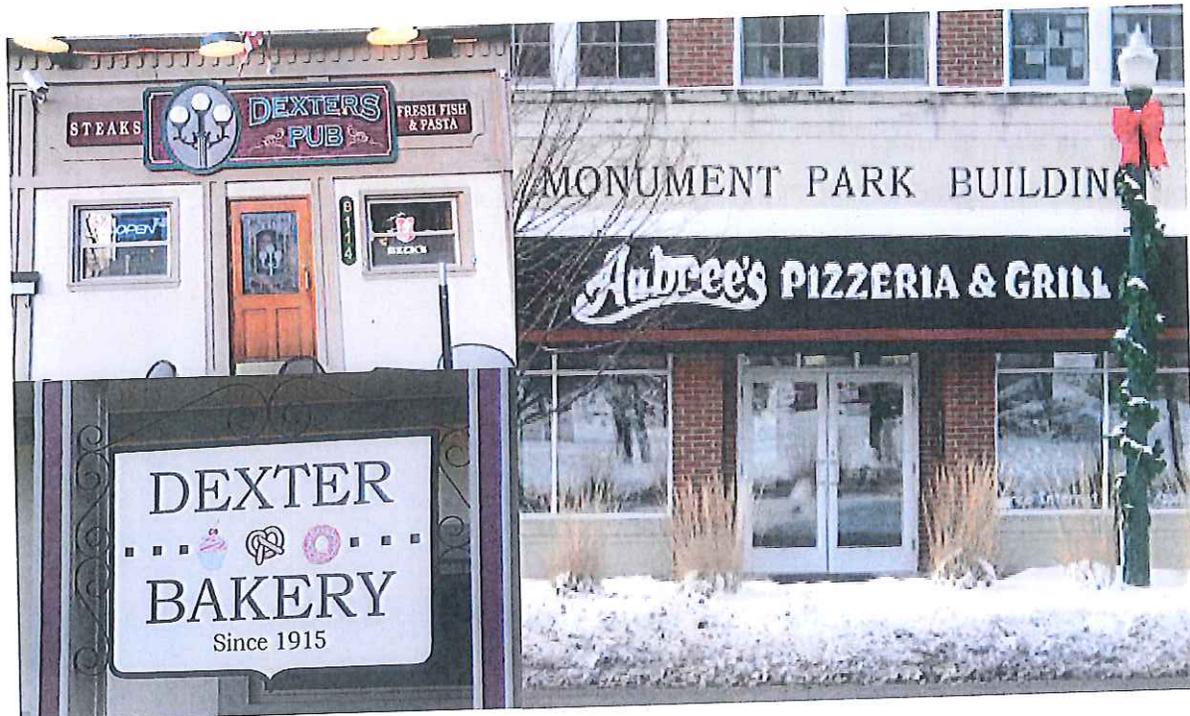
Without getting into the he said/she said, before approving any proposal to review and update the zoning ordinance, Council wants examples of specific definitions, sections and sub-section in the ordinance that the Planning Commission determines need to be clarified, refined or amended, along with an explanation of why this action is needed.

Staff appreciates any assistance the Planning Commission could provide. Thank you.



REVISED ORDINANCE UPDATE

CITY OF DEXTER



PROPOSAL
FEBRUARY 2015



Carlisle|Wortman Associates, Inc. has extensive experience in developing new and innovative ordinances including sign regulation language. We are well-versed in the latest and legally defensible zoning techniques.

As the City planning consultant, we are aware of the concerns and issues regarding the current sign, PUD, landscaping and exterior lighting ordinances. Through a collaborative effort of City officials, residents, and business owners, we believe we can come to a lasting solution resulting in a fair and enforceable ordinance.

We will work closely with the City through the development of the new regulations. Regular interaction and communication via telephone, e-mail, and face-to-face meetings will help facilitate updated regulations tailored to the City.

The following work program outlines the suggested approach our firm would undertake in revising the City's zoning regulations as outlined in the following sections. As a result of the city's participation in the Redevelopment Ready Communities® (RRC) program, funding support for this proposal is being provided by the Michigan Economic Development Corporation. The scope of work aligns with action items proposed in the RRC Report of Findings.

TASK 1.0 EXISTING ASSESSMENT AND REPORT (MEETINGS 1 & 2)

- 1.1 Review existing ordinance with City staff including Community Development Director, Ordinance Officer, and others as needed. Purpose of the meeting is to identify problem areas of the following sections of the City Zoning Ordinance:
- Article VII Sign Regulations
 - Article VI Landscaping Standards
 - Section 3.19 Exterior Lighting
 - Article XIX Planned Unit Development Districts
 - Article VIII Special Land Uses
 - Article XXI Site Plan Review
 - Article II Definitions (Revise and update as needed)
- 1.2 Review all aspects of the above regulations including applicable definition sections. Create report of findings based on task 1.1 above as well as our own review of these sections.
- 1.3 Present results of tasks 1.1 and 1.2 to City staff and Ordinance Committee. Results report will provide a clear picture of current issues and a direction moving forward. Determination of persons and groups to participate in the amendments. We anticipate this to include City stakeholders as identified by the Ordinance Committee.

TASK 2.0 SIGN PREFERENCING EXERCISE AND PRESENTATION (MEETING 3 & 4)



- 2.1 Review and revise sign regulations
 - 2.1.1 Prepare sign preferencing presentation. Provide draft presentation to Community Development Director for comment and revision.
 - 2.1.2 Complete sign preferencing exercise with Ordinance Committee, and others as determined in Task 1.3.
 - 2.1.3 Compile results of exercise.
- 2.2 Review preferencing results - Broad recommendations (meeting 4). Meet with Ordinance Committee to discuss results and recommendations.
 - 2.2.1 Review/discuss results
 - 2.2.2 Regulatory preferences
 - 2.2.3 Enforcement preferences

**TASK 3.0 REVIEW AND REVISE ARTICLE 6 LANDSCAPING STANDARDS
(MEETING 5)**

- 3.1 Review existing landscaping ordinance, as well as tree replacement standards.
- 3.2 Conduct landscaping exercise with subcommittee and other stakeholders as identified in task 1.1.
- 3.3 Compile results of exercise and provide for review of subcommittee meeting (5).

TASK 4.0 REVIEW AND REVISE SECTION 3.19 EXTERIOR LIGHTING

- 4.1 Review existing exterior lighting standards and prepare amendments and/or modifications as necessary.
- 4.2 Exterior lighting standards will be prepared in conjunction with landscape standards (see tasks above - 3.1 and 3.2) and presented as provided above.



TASK 5.0 REVIEW, PROVIDE RECOMMENDATION & ANALYSIS OF DEVELOPMENT REVIEW PROCESSES (MEETING 6)

- 5.1 Review Article 19, Planned Unit Development standards and procedures and prepare recommendations for streamlining as necessary.
- 5.2 Review Article 8, Special Land Use standards and procedures and prepare recommendations for streamlining as necessary.
- 5.3 Review Article 21, Site Plan Review standards and procedures and prepare recommendations for streamlining as necessary.
- 5.4 Present recommendations to subcommittee for review (meeting 6).

TASK 6.0 DRAFT LANGUAGE (MEETINGS 7 & 8)

Provide recommendations and receive comments on the following draft sections:

- 6.1 Sign Regulations
- 6.2 Landscape Standards
- 6.3 Exterior Lightings
- 6.4 Planned Unit Development Standards
- 6.5 Special Land Use
- 6.6 Site Plan Review
- 6.7 Definitions (as needed for each section)
- 6.8 Zoning districts will be considered for each of the above.
- 6.9 Other sections as identified

TASK 7.0 DRAFT LANGUAGE (MEETING 9)

- 7.1 Full draft for review and comment (two (2) meetings).



- 7.2 Complete one (1) full revision of each section.

TASK 8.0 DRAFT LANGUAGE TO PLANNING COMMISSION (MEETING 10)

- 8.1 Provide full draft for review and comment (including other parts of the Ordinance that require amendment based upon proposed changes.
- 8.2 Complete one (1) full revision for public hearing of each section.

TASK 9.0 UPDATE ARTICLE 2 DEFINITIONS (WHERE NEEDED)

- 9.1 During the review of the ordinance as outlined above, we will review and revise current terminology and applicable definitions. These changes will occur concurrently during the review of each section. Task 9.0 is not intended to be viewed as a separate distinct step, but rather as an ongoing task.

TASK 10.0 REFORMAT ZONING ORDINANCE (MEETING 11 & 12)

- 10.1 Reformat remaining Zoning Ordinance Articles in web-ready document with applicable hyperlinks. The existing Ordinance will have to be reformatted from the current Word document into an InDesign file in order to provide a web-ready document. A PDF version will be made available to the City in web-ready format. Present to Planning Commission.
- 10.2 Full draft for public hearing and meeting attendance.

TASK 11.0 REVISION TO OTHER SECTIONS

- 11.1 Upon direction of the subcommittee, other sections of the Zoning Ordinance may be identified for review and analysis. Upon indemnification, separate cost estimates will be provided for the completion of the sections.



Based on the work program, we propose the following cost estimate for your consideration.

Task	Principal Doug Lewan	Associate Laura Kreps	CAD/GIS	Support Staff
1.0	4	6		
2.0	5.5	18		
3.0	8	15	10	10
4.0	4	8	4	5
5.0	8	20	8	10
6.0	4	8	5	
7.0	8	10	5	5
8.0	4	10		5
9.0	8	10	8	5
10.0	--	10	--	50
11.0**				
Hours	53.5	115	40	90
Average Hourly Rate	\$80 per hour	\$75 per hour	\$60 per hour	\$45 per hour
Subtotal	\$4,280	\$8,625	\$2,400	\$4,050
TOTAL	\$19,355			
MEDC FUNDING 50%	\$9,677.50			
CITY OF DEXTER 50%	\$9,677.50			

Any additional meetings will be billed at the above hourly rates.

** Costs for task 11.0 to be determined.



Michigan

OFFICE OF COMMUNITY DEVELOPMENT

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Memorandum

To: Chairman Kowalski and Planning Commissioners
Courtney Nicholls, City Manager

From: Michelle Aniol, Community Development Manager

Re: Breweries/microbreweries in the RD Zoning District

Date: February 25, 2015

During the February Planning Commission meeting, staff reviewed her memorandum regarding Northern United Brewing Company's (NUBC) desire to expand its business operations by setting up a product development and production kitchen, with a dining area at its facility at 2319 Bishop Cr E. This expansion would allow NUBC to produce all their fermented products, such as pickles, kimchi, etc., all of its pizza dough and other bakery products, including bread, curly potato chips, etc. In addition to on-site eating and drinking, NUBC would distribute these products to their other locations. The desired dining area would be separate, but connected to the current tasting room. Much discussion ensued, as evident in the following comments from commission members:

- What would be the impact of food production on public infrastructure (i.e. water and sewer)
- It's not NUBC fault we can't figure out the definition (of food service);
- PC was clear it didn't want a bar or restaurant when NUBC came in for special use approval of the tasting room.
- Would food products other than those manufactured on site be offered?
- Rezoning to PUD is an option.
- Industrial Park was not intended to have restaurants and/or bars.
- Food service isn't defined in the ordinance, so new Commissioners don't know what it means.
- Would like to explore options for uses in Research Park in the long term; go through process in Section 3.07 for dining area as an accessory use to production kitchen and product development.
- Would consider ordinance revisions, but it (the dining area) needs to be a special use.
- It's permitted; apply for zoning compliance.
- We may need to clean up ordinance and decide what uses we want in the industrial park.
- In favor of better definition.

Consensus of the Planning Commission was to determine the compatibility of the use (i.e. dining area for eating and drinking) in the research park and whether the use should be a permitted land use or a special land use, in accordance with Section 3.07 Uses Not Otherwise Included within a District.

The Commission also asked staff if there were examples of regulations for microbreweries in industrial parks elsewhere in Michigan. At that time staff was not aware of any. Since then staff has discovered that Bell's Brewery has a brewhouse that is located in the Comstock Commerce Park, in Comstock Township, a neighbor to Kalamazoo. The Brewhouse is a manufacturing facility. Tours of the brewhouse are offered, however samples of the beer and/or food are not.

Agriculture Economics

First, staff has compiled the following research to kick off the discussion of this issue with the Planning Commission. To begin with, let's look at the economics of the issue. According to the Michigan Farm Bureau:

- Agriculture is the second largest industry in the state and growing.
- Michigan's food and agriculture system accounts for more than \$101 billion in direct, indirect and induced economic activity annually.
- The above contribution represents more than a 50 percent increase in economic impact from a 2006 study.
- Michigan's agricultural economy has been expanding at a rate five times faster than the growth rate of the general economy.
- Agricultural production and processing contribute more than \$24 billion to the state.

So what does agriculture economics have to do with NUBC? To answer that question it may be helpful to understand that microbreweries, such as NUBC, are considered *value-added agriculture*.

What's value-added agriculture? The USDA (United States Department of Agriculture) RBD (Rural Business Development) defines value-added agriculture as a result of the change in physical state or the manner in which the agricultural commodity or product is produced and segregated, the customer base for the commodity or product is expanded and a greater portion of revenue derived from the marketing, processing or physical segregation is made available to the producer of the commodity or product.

To help form a visual picture, V-AG is the process of changing or transforming an agricultural product (such as wheat) into a product (such as flour) desired by customers (such as bread bakers). NUBC uses hops (agricultural product) as a flavoring and stability agent in the production of its beer (the product), which is then consumed by its customers (beer drinkers).

Value-added products are defined as follows:

- A change in the physical state or form of the product (such as milling wheat into flour, making strawberries into jam, using hops and other agricultural products to make beer).
- The production of a product in a manner that enhances its value, as demonstrated through a business plan (such as organically produced products, or craft beer, wine, spirits and/or meads).
- The physical segregation of an agricultural commodity or product in a manner that results in the enhancement of the value of that commodity or product (such as an identity preserved marketing system). For example, Jolly Pumpkin Artisanal Ales, North Peak and Grizzly Peak craft brews.

Another set of value-added agriculture concepts are capturing value and creating value. When evaluating value-added enterprises, it is important to recognize the difference between these two concepts:

- Capturing value occurs through changes in distribution of value in the food/fiber production chain. These changes are generally efforts to "capture" more of the consumer dollar. An example would be producers who package or market their production directly to consumers. Microbreweries, wineries, distilleries and meaderies do this through their tasting rooms and restaurants.
- Creating value occurs with actual or perceived value to a customer for a superior product or service. The objective is to create something that has value. New products, enhanced product characteristics, services, brand names or unique customer experiences may create additional

value for agricultural products; for example, marketing unique or branded products, such as NUBC Jolly Pumpkin Artisanal Ales and/or NULL, Northern United Brewing Companies tasting room.

The Craft Beer Industry

Staff was reading through the latest edition of APA's Planning magazine and came across the attached article regarding the rise of the craft beer industry. The article briefly touches on the issues surrounding brewery tap rooms and restaurants, from appropriate zoning districts to the burden microbreweries impose on small town wastewater treatment facilities. You will notice that Dexter/Jolly Pumpkin is cited for wastewater treatment issues. This passage and other relevant sections of the article are highlighted for your convenience.

Staff also discovered an article in the Food section of the Washington Post that summed up the future of the craft beer industry, "Today's start-up breweries don't want to be mere beer factories; they aspire to be beer destinations." The article goes on to state, "Central to that plan is a tasting room. It's not just a place where guests sip samples out of plastic cups. It also serves as a store front for selling growlers and size-packs to go; a laboratory for testing new recipes; and a community room when locals can jaw over sports, politics and the merits of the local beer." This article also mentioned that Lost Rhino Brewing in Ashburn, Virginia was installing a kitchen. This intrigued staff who then did some research and discovered that the brewery was located in an industrial park. Staff reached out to Loudoun County Planning and Zoning Department for zoning regulation information. Unfortunately staff had not heard back before the packet was finalized. Hopefully staff will have the information in time for your meeting.

Lastly, the State of Michigan strongly supports valued added agriculture. The Governor recently signed a nine-bill package of bi-partisan legislation designed to help create jobs and increase tourism by helping to expand the state's craft beer industry. Of particular interest is Public Act 42 of 2014 (a/k/a HB 4709), which allows microbrewers to increase production from 30,000 barrels per year to 60,000 barrels per year. The reality of this action is that facilities to accommodate this type of production are not found in downtowns or typical general commercial locations; they are found in industrial parks.

Staff has provided a number of documents to correspond to the information above. Staff also looks forward to this discussion on Monday night.



a national information resource for value-added agriculture

USDA Value-added Ag Definition

This definition of value-added agriculture is from the U.S. Department of Agriculture, Rural Business Development.

Value-added products are defined as follows:

- A change in the physical state or form of the product (such as milling wheat into flour or making strawberries into jam).
- The production of a product in a manner that enhances its value, as demonstrated through a business plan (such as organically produced products).
- The physical segregation of an agricultural commodity or product in a manner that results in the enhancement of the value of that commodity or product (such as an identity preserved marketing system).

As a result of the change in physical state or the manner in which the agricultural commodity or product is produced and segregated, the customer base for the commodity or product is expanded and a greater portion of revenue derived from the marketing, processing or physical segregation is made available to the producer of the commodity or product.

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a national information resource for value-added agriculture

Capturing vs. Creating Value



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Department of Agricultural Economics
University of Missouri

The way in which value is added to agricultural production can affect the potential for risk and reward. When evaluating value-added enterprises, it is important to recognize the difference between capturing value and creating value.

Capturing value occurs through changes in distribution of value in the food/fiber production chain. These changes are generally efforts to "capture" more of the consumer dollar. Direct marketing, vertical integration, producer alliances and cooperative efforts are often directed toward capturing more of the end-use value of farm production. Following are examples of capturing added value:

- Beef producers who join an alliance to market back-grounded calves or retain ownership of animals in the feedlot.
- Producers who form cooperatives to build meatpacking or ethanol plants.
- Producers who package or market their production directly to consumers. *-micro brewery tasting room/restaurant*

Creating value occurs with actual or perceived value to a customer for a superior product or service. The objective is to create something that has value. New products, enhanced product characteristics, services, brand names or unique customer experiences may create additional value for farm products. Examples of activities for creating added value are:

- Marketing unique or branded products. *Jolly Pumpkin Artisanal Ales*
- Producing identity-preserved or specialty crops for value chain participation.
- Combining family activities (animal petting, hay rides, etc.) or recreation associated with direct on-farm product marketing to consumers.

Production Risk

Production risk from value-added production is often directly related to whether the value is captured or created.

Production skills and risks are often lower with captured value-added activities because the production processes are generally well-known and established through the link to traditional agricultural production. To illustrate:

- An alliance of beef producers, backgrounding or retaining ownership, generally has knowledge of

cattle feeding and the skills to background calves.

- Individual members of an ethanol or meatpacking cooperative may not have production plant knowledge, but operational expertise along with cost/return margins are readily available and well understood throughout each of the industries.
- While producers packaging their products for direct sale to consumers may lack some of the necessary marketing and packaging skills, they usually understand the factors affecting production of their animal or crop product.

In contrast, creating added value may involve entirely new production practices or require new skills to produce unique goods or services, resulting in considerable added production risk. For example:

- Marketing a unique or branded product may require production and product testing along with meeting food safety regulations and labeling requirements not encountered in production agriculture.
- Production of identity-preserved or specialty crops may require contract production obligations (marketing risks) and management (production risks) skills to ensure product quality and maintain product segregation.
- Providing family or recreational activities increases safety and liability concerns (processing risks) along with activity design and people skills needed to provide enjoyable activities for customers.

Marketing Risk

Marketing risk may also be influenced by whether value is captured or created.

Capturing added value is often highly competitive. Integrating into a value chain often requires supplying a substantial volume of production at a competitive cost to the next step in the chain to capture the market position. For example:

- A beef alliance's calves must offer competitive economic benefits to a feedlot in cost or efficiency over other calves to "capture" the market from other sources of calves.
- A cooperative processing plant for ethanol or some other product must be cost-efficient to compete with similar plants producing similar products.
- Producers marketing directly to consumers must compete with many other producers as well as supermarkets and other food suppliers.

Competition from others seeking to participate (integrate) into the value chain or previous participants seeking to "recapture" their position can lead to enhanced price competition and greater market risk for captured value. The competition in captured value-added markets can lead to the same "treadmill" situation as commodity production agriculture has always faced - the need to increase efficiency and production continuously to stay competitive.

If created product demand is established, stable and potentially higher prices with limited direct competition may result. To illustrate:

- A unique or branded product differentiates itself from other products, creating its own demand.
- Contractual agreements for value chain identity-preserved products limit competition from other producers who might be willing to sell for lower prices or try to produce and sell lower quality products.
- Each farm creating an activity experience has a unique location and geographic features that usually cannot be duplicated exactly by competition.

However, the actual marketing and selling of created-value products may be more difficult if market channels and product identity are not established. This requires market feasibility studies, marketing plans and (for most producers) new marketing skills in addition to the new production skills for the product or services.

P24

Capital Investment

Capital investment requirements can vary considerably for both captured and created value-added enterprises. For example, capturing added value by backgrounding calves may require little additional capital investment in contrast to a producer group that is capturing value by making a large investment in a packing plant. Creating value by producing identity-preserved grain with special characteristics may not require a significant investment, but marketing a branded specialty food product may require large investments in processing, distribution and development.

Business financing should include adequate operating funds (working capital) to sustain the value-added enterprise through the start-up phase - the business must meet cash-flow needs until value-added income is generated! For both captured and created value-added enterprises, the amount of funds and time required vary considerably. For example, capturing value added may require only a few months and limited added cost with a calf backgrounding alliance, while construction and start-up of an ethanol plant may require a much longer time and considerable operating expense before any production returns are received. Creating value with identity-preserved crops may cause limited delays, depending on contractual arrangements, with little added operating costs. However developing a branded product may require considerable time and expense before any product is actually sold.

Whether value is captured or created, it is important to remember that higher-risk investments should offer higher or quicker returns, while lower-risk investments tend to offer lower or slower returns - *"if you take risk, you should get paid for it!"*

How Much Value Can be Added?

A number of factors affect how much value may be added to products. The amount of value a producer (or group) adds can be related to whether the value is captured or created and can greatly influence the profit potential or success of the enterprise. Consider two different value-added enterprises for soybeans, a cooperative venture in a crushing plant (capturing value) or producing a new soy nut product (created value). In the late fall of 2001, a soybean crush margin of more than \$1.00 per bushel offered favorable returns to soybean processing. This crush margin represents the added value of meal and oil produced from processing a bushel of soybeans (value of meal plus value of oil minus soybean price per bushel). In contrast, during this same period of time, a 9-ounce package of soy nuts was selling at a specialty foods store for \$3.95 - adding almost \$420 of value to a bushel of soybeans!

Producers considering building a soybean crush plant should take into account the narrow margins associated with this enterprise. While the above crush margin of more than \$1.00 has been favorable, it is not typical and occurs less than 10 percent of the time. Soybean crushers normally face narrow margins, and some plants even shut down during periods when the margin is unprofitable. Production risk (processing technology has developed competitive processes) and marketing risk (meal and oil are commodities that are easily traded and sold) are easily understood, resulting in narrow profit margins and many competitors. The same situation can apply to other enterprises that capture added value.

Creating a value-added product, such as soy nuts may offer a large margin of value that can be added. However, production risks along with management skills are also greater, and the markets may be limited. Large volumes of soybeans can be crushed for meal and oil, but only a few bushels of soybeans would supply many specialty food stores with soy nuts, and there may be few (if any) market alternatives for excess production. Market development, food safety and packaging laws also could require considerable time and investment. However, the created added-value product might provide a much greater profit margin - especially for a small-volume producer.

Understanding how value is added is important to evaluating production and marketing risk along with determining capital needs. Capturing value often emphasizes attention to market competition and controlling production costs. Creating value may require new production techniques, product development, service, market analysis and selling skills. Although capital requirements vary for both captured and

created value-added production, returns relative to risk along with adequate capital and resources are often keys to success.

From farm production to consumer marketing, risk affects every aspect of value-added agriculture.

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Welcome to Beer Country

Small breweries are a **BIG DEAL**—and some cities are courting them. By ALLEN BEST





Raise a glass to Arrogant Bastard Ale or another of the cheekily named brews made by Stone Brewery in metro San Diego.
COURTESY STONE BREWERY



In

the old mining town of Butte, Montana, economic stability in the red-brick downtown comes one craftily brewed mug of beer at a time.

Downtown Butte is called Uptown—because it literally is. It was erected on Butte Hill, once called the “richest hill on Earth” because of its vast deposits of copper and other precious minerals. Early in the 20th century, Butte had a population of 60,000 and maybe more. Then, in 1982, the mine closed, followed by a nearby smelter. Soon after, a Superfund cleanup was ordered.

“The 1980s was a tough decade,” says Jon Sesso, Butte’s planning director. The mine reopened after a few years and Butte’s population has stabilized at 35,000. It’s an ongoing challenge, however, to draw travelers from Interstate 90, which is located a mile away and several hundred feet lower, to Uptown’s historic charms.

Quarry Brewing has been one of those draws. Opened in 2007, it occupies the street level of the five-story Grand Hotel. It was the first new brewery in a long time in a city that once had four major breweries. Another recent venture is Butte Brewing Company. Together the two microbreweries play into the city’s efforts to develop tourist-drawing festivals. “It’s just as much part of our economic development strategy right now as anything else,” says Sesso.

Butte is part of a still-growing national trend: the proliferation of craft breweries and their close cousins, craft distilleries and small wineries. Nationally, the craft brewery sector has added 5,000 jobs annually in recent years, according to the Brewers Association.

In defining craft breweries, the trade group emphasizes traditional ingredients and smaller production. Julia Herz, the association’s craft beer program director, says 94 percent of the nation’s 3,200 breweries produce fewer than 15,000 barrels a year. She also points to local or at least domestic ownership as a distinguishing characteristic.

While overall beer consumption declined two percent in 2013, craft beer production grew 18 percent. Craft brewers now are responsible for 10 percent of all beer production by volume, and the trade group aims to double that to 20 percent by 2020.

In remaking the food-and-beverage landscape, craft brewers have been making it fun. Beer titles and the art created to package them often reflect local themes. Colorado’s Avery Brewery has an Out-of-Bounds Stout, with an image of a skier launched over a cornice, but also the whimsical Hog Heaven, billed as the first installment of the “Holy Trinity of Ales” series.

The settings can be as interesting as the brews. Doing field research one evening at Epic Brewery in Denver, I was sloshing Big Bad Baptist in my jowls, wondering if I was drinking coffee grounds or beer, when our waiter pointed toward the floor. I was astonished to see a set of rails in the concrete, leftovers from Denver’s more blue-collar days, when the building housed a factory serviced by a narrow-gauge railroad. Homogeneity is not a problem in the craft sector.

Brewers (and drinkers) wanted

In 1975, there was just one microbrewery in the nation, San Francisco’s Anchor Steam. California continues to lead the way, with its small brewers responsible for nearly 20 percent of all craft beers sold in the U.S. Among the hotspots is San Diego, which as of December had 19 brewpubs and 24 breweries, with dozens more in the metropolitan area. Since 2010, the city’s economic development arm has actively promoted the breweries while serving as an

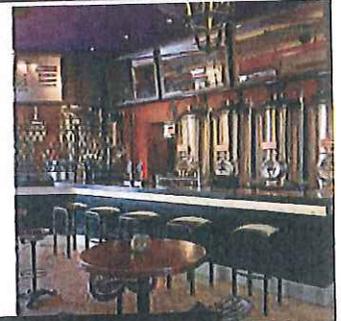
*NMBC
8,000
barrels/
year*



VAULT BREWING, in Yardley, Pennsylvania, is right at home in a former bank built in 1889. James Cain (right), who is Vault Brewing's co-owner with his brother John, says that the pair tried for six months to start up shop in an old golf ball factory but abandoned the plan because of significant zoning and other regulatory challenges.

"This was, of course, a blessing in disguise in that we were able to make our home in an historic bank building in the same town," Cain says, noting that new businesses such as his still face plenty of similar hurdles.

The brewery, launched in 2012, uses the old bank's 125-year-old vault to age, condition, and tap some of the beers that are created on the other side of the vault wall. "This wonderful piece of history has been integral in the creation of our brand as well as the operation of our business," Cain says.



intermediary between brewers and city planners in such issues as parking requirements and zoning districts.

Craft breweries have proliferated in San Diego because the entry-level costs can be relatively modest and the profit margins highest when beer is sold on-site, says Russ Gibbon, business development manager of the Mayor's Office of Economic Growth Services. "The profit level on the beer itself is highest when selling it by the glass at \$4 to \$6," he says. Most craft breweries start out this way, selling on-site in tasting rooms, where little or no food is served, or in conjunction with restaurants, called brewpubs.

Permits for craft breweries are relatively easy to come by in San Diego except downtown, says Gibbon. About 80 percent of craft breweries are in industrial zones, where brewing is a use by right. "Almost every city allows breweries, even with tasting rooms, by right, in industrial zones, whereas in commercial zones they may not be allowed because brewing is essentially manufacturing," says Gibbon, speaking of the San Diego metropolitan area.

Craft beer represents a chunk of San Diego's economy. A study conducted by the National University System Institute for Policy Research found that in 2011 craft breweries collectively generated \$300 million in economic activity in San Diego County. Part of this is the simple matter of locals quaffing their favorite brews. But there's icing on the cake or, if you will, froth on the brew: The breweries themselves have become tourist attractions.

Like wine connoisseurs at a vineyard, people who know beer will visit San Diego specifically because of the breweries' reputa-

tions, says Gibbon. Tour buses for years have shuttled visitors from brewpub to microbrewery to tasting room, giving them the opportunity to buy shirts, mugs, and growlers, the sealable containers that typically hold 64 ounces of fresh beer.

Metropolitan Los Angeles has half as many craft brewers as San Diego. Tom McCormick, executive director of the California Craft Brewers Association, attributes this anomaly, in part, to steeper regulatory challenges. In contrast, other California jurisdictions—Sacramento, Sonoma County, Rancho Cordova—have actually been soliciting craft brewers.

"Smaller breweries seem to stimulate economic development and revitalization and really create a vibrant economy around them," says McCormick.

A refreshing brew

This brewery-induced revitalization can be found in one-time parched Fort Collins, Colorado. A university town, Fort Collins banned alcohol in 1896, well before prohibition became U.S. law in 1920. But whereas prohibition ended in 1933, Fort Collins remained dry until 1969.

Since the late 1980s, Fort Collins has slaked its thirst with a spate of new breweries. First was Anheuser-Busch, with its giant bottling plant along Interstate 25, but in 1989 two home brewers established small facilities along the railroad tracks just north of downtown. It was a place of grain elevators, cheap rents, and sparse neighbors.

“When these guys first started to come out of the basement, we didn’t know what to call them,” says Ted Shepard, AICP, the chief planner in Fort Collins. “We just knew the beer was really good and we wouldn’t shut them down. We decided to call them light industrial, and they just happened to locate in those areas zoned light industrial.”

One of those first microbreweries was Odell Brewing Company, and soon after came New Belgium, the brewer of Fat Tire. New Belgium has expanded six times in Fort Collins and is now the nation’s eighth largest brewery, with a second brewery under construction in Asheville, North Carolina.

The emergence of the microbreweries didn’t transform Fort Collins’ old industrial section overnight. As before, Fort Collins continued to grow southward. But the old part of Fort Collins now has a whole-grained vitality absent in the franchise-dominated look-alike suburbs.

“They did not want to be in the subdivisions. They did not want to be in the strip centers and in the mall,” says Shepard. “They were hip, they were young, and they wanted to be where the action was and did not want to be confined by the folks who live under HOAs, surrounded by big-box retail with large evangelical churches. They wanted food with their drink, they wanted bluegrass bands, and they wanted a vibe that wasn’t south Fort Collins.”

In a fundamental way, brewpubs can serve as trailblazers, much as artists long have led the way in gentrifying decayed neighborhoods. At first, the breweries, their restaurants, and tasting rooms were quite basic. The breweries didn’t have money. With success, they became more polished. Of late, more have relocated to residential areas, such as west of the university campus.

Fort Collins now defines 15,000 barrels a year as the upper limit for microbreweries, 100,000 gallons a year for microwineries, and 15,000 gallons for microdistilleries.

“We don’t go out and count the gallons,” says Shepherd. “But our experience has been that they self-select when they get too big and will move to industrial zones. They want the loading dock, the fermentation tanks, and the 24/7 forklifts.”

Drinking problems

Can breweries create hassles, as conventional bars and taverns do? Alcohol consumption at craft breweries tends to be tempered. In Montana, tasting rooms have two-drink limits and earlier closings. “You rarely see somebody who is inebriated at a tap room, because you can only have a couple pints,” says Butte’s Sasso. Food served with beer dulls the effect of alcohol.

But in San Diego, Gibbon remains wary about the long-term effects of microbreweries. “I have my concerns that you won’t necessarily revitalize a com-

PORTLAND, OREGON, has **58** breweries, more than any other city in the world.

Craft brews make up **38%** of all beer consumed there.

OREGON BREWERS GUILD

munity by pouring alcohol over it. It’s not a coffee shop. There’s still a possibility for people to get into fights and urinate and all the other things that come with alcohol.”

Another possible concern, especially in smaller towns, is whether a microbrewery imposes burdens on wastewater treatment facilities. In Michigan, for example, Jolly Pumpkin Artisan Ales outgrew its 10,000-square-foot quarters in an old warehouse in Dexter. It’s a village of 4,000 people near Ann Arbor. Jolly Pumpkin has added a second brewery in an industrial park. Rezoning was required, but more challenging were demands imposed upon the local wastewater treatment plant by microbrewery effluent.

“In that water, there is a lot of biochemical oxygen demand, a lot of suspended solids relative to other types of effluent,” explains Ron Jeffries, the brewery founder and co-owner. Bigger municipalities have larger sewage treatment facilities that are not as easily beleaguered by one type of effluent. To address the problem, Jeffries invested in the equipment needed to pretreat his brewery’s effluent.

Craft central

Some cities offer tax and other incentives to brewpubs, but not so Pendleton. It’s a city of nearly 17,000 in central Oregon and home to the rodeo called the Pendleton Stampede. Few people make a stampede to the downtown district during daylight, though. “I think it’s fair to say our downtown is busier after 5 p.m. rather than before,” says Evan MacKenzie, senior planner for the city of Pendleton.

One new face in Pendleton’s downtown is the Prodigal Son. Not surprisingly, the microbrewery is located in an old automobile showroom. Microbreweries need sturdy floors, which is one reason they are found so often in industrial areas.

In Pendleton, zoning was amended to allow microbreweries, plus wineries and distilleries. Now, brewpubs of less than 50,000 gallons a year are allowed by right in commercial areas, as long as a tasting room is included. Distilleries are capped at 12,000 gallons a year. “It does give us a little extra tourism,” says McKenzie.

To truly wet your whistle, he advises a 210-mile journey west on I-84 to Portland. There, on the banks of the Willamette River, is perhaps the densest congregation of craft breweries on the continent. Craft brews comprise 38 percent of the beer consumption in Portland, which has more breweries, 58 within the city proper, than any other city in the world, according to the Oregon Brewers Guild. Calculated as number of breweries per 100,000 people, Oregon leads the nation, according to the Brewers Association.

The development commission provides some assistance to craft breweries and other alcohol produc-

TALKBACK

THIS MONTH: WHAT’S THE BEST (OR WORST) THING ABOUT HAVING A CRAFT BREWERY IN YOUR CITY?

#PlanMag

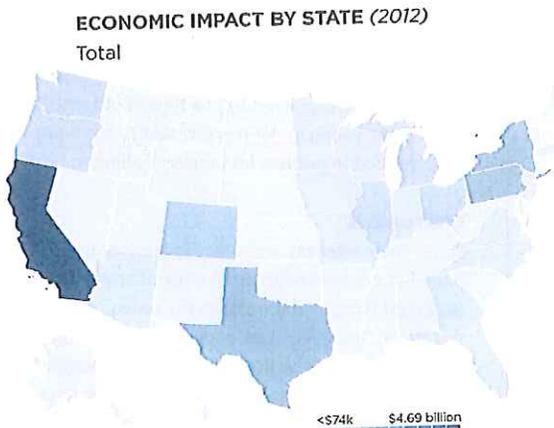
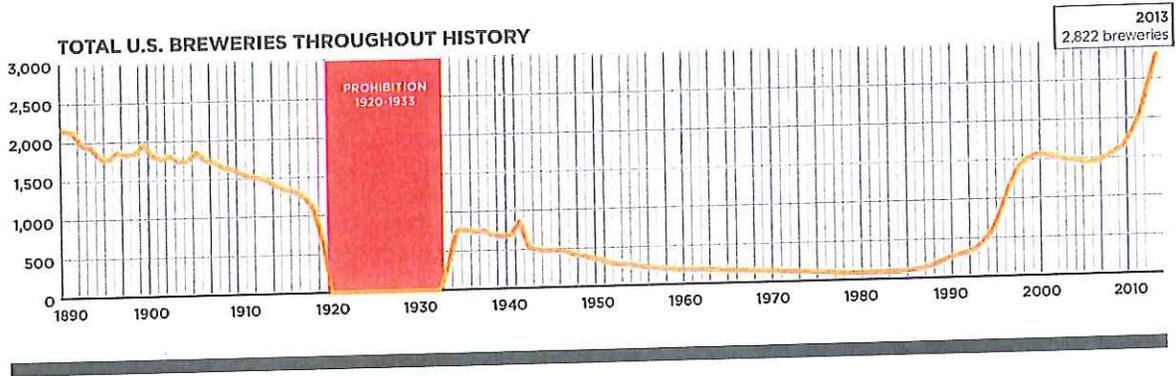
FOLLOW THE CONVERSATION IN FUTURE ISSUES OF PLANNING



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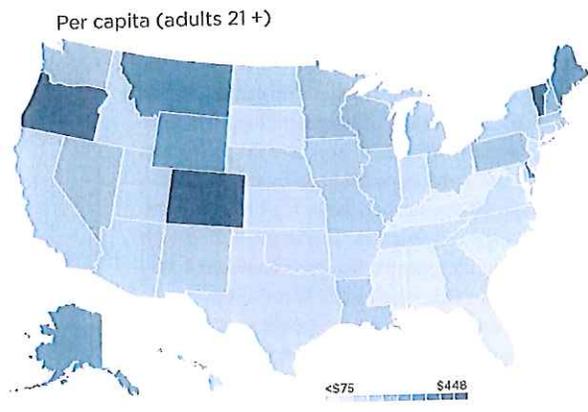
PHOTO BY ELAINE MELYO

Craft Beer By the Numbers



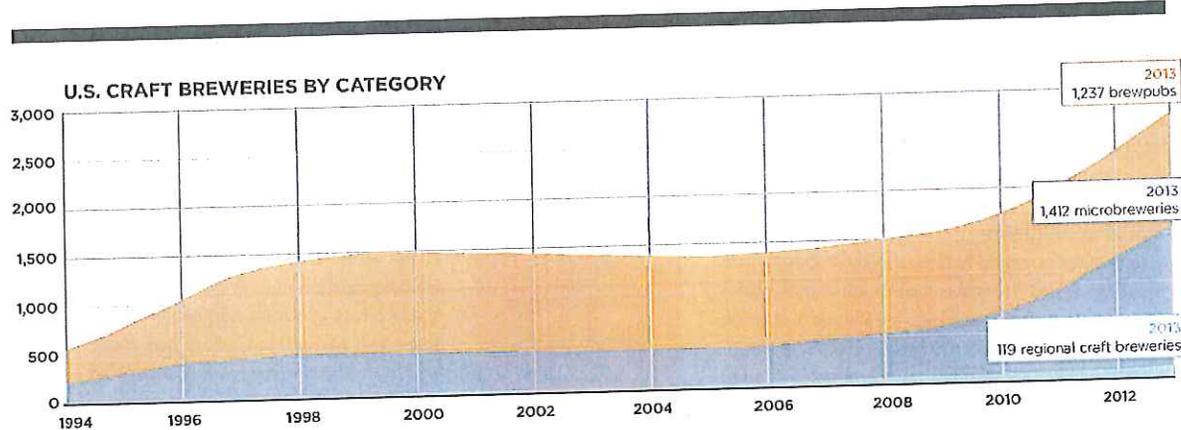
TOP 5 STATES

RANK	STATE	OUTPUT
1.	California	\$4.7 billion
2.	Texas	\$2.3 billion
3.	New York	\$2.2 billion
4.	Pennsylvania	\$2.0 billion
5.	Colorado	\$1.6 billion



TOP 5 STATES

RANK	STATE	OUTPUT
1.	Oregon	\$448.56
2.	Colorado	\$436.50
3.	Vermont	\$418.57
4.	Maine	\$324.36
5.	Montana	\$315.37



REGIONAL CRAFT BREWERY
An independent regional brewery with a majority of volume in "traditional" or "innovative" beers.

MICROBREWERY
A brewery that produces less than 15,000 barrels of beer per year with 75 percent or more of its beer sold off-site.

BREW PUB
A restaurant-brewery that sells 25 percent or more of its beer on-site. The beer is brewed primarily for sale in the restaurant and bar.

DATA SOURCE: BREWERSASSOCIATION.ORG

ON A RELATED TOPIC

GROWING THE RALEIGH FOOD CORRIDOR

By Sarah Barr

On the eastern edge of downtown Raleigh, a string of food-related community projects could help build a healthier city. The city's emerging "food corridor" is bookended by a hunger-relief organization's agriculture training center to the south and an urban farm two miles to the north. In between are restaurants, corner stores, farmers markets, and urban gardens.

It's a geography that a coalition of community groups sees as the backbone for a flourishing local food scene. "It's about energizing this two-mile stretch to bring the benefits of healthy food to these diverse communities," says Erin Sullivan White, the founder and principal of Community Food Lab, a design and consulting firm based in Raleigh that has led the corridor's development.

The corridor runs along Blount and Person streets, through communities with varying resources and needs. It touches Southeast Raleigh—where much of the neighborhood meets the federal government's definition of a food desert—but also passes by the governor's mansion and some of downtown's newest high-end development.

White sees the corridor's current and potential food projects as tools. Used collectively, the tools can help make interesting things happen in this and other neighborhoods, White says. A community garden could supply food to a restaurant, the chef could give a healthy cooking demonstration at the corner store, and a family shopping at the store could think about starting their own vegetable plot.

"If you cluster lots and lots of small- and medium-sized projects together in a city, then the connections are better," White says.

The food corridor idea grew out of early discussions about the city's plan for transportation improvements and economic development along the Blount-Person corridor, which was approved in July 2013.

White, who had previously worked on a minicorridor project along a single block in nearby Durham, and others interested in urban agriculture noticed how food defined the area. By the end of 2013, they had started gathering various stakeholders.

Then, last summer, the concept got another boost when the local Jamie Kirk Hahn Foundation became involved. The foundation collaborated with Community Food Lab to host a series of gatherings, such as tours of the corridor, that

ers for building renovation. One area of Portland seeing a large number of both is called the Central Eastside. Originally settled in 1845, the district is located along the Willamette River, across from downtown Portland, and continues to house warehouses and industrial companies. But the area is also home to an increasing number of architects and other creative sorts, points out Shawn Uhlman, public affairs manager for the Portland Development Commission.

Park City, Utah, drew breweries by offering incentives. A one-time silver mining town, it was reborn into a shiny ski resort. But the reinvention of Main Street remained a steep challenge—literally. The street has a grade of seven percent, and so visitors stayed lower on the street, conveniently close to the ski lifts.

The local government owned land at the top of Main Street, and in 1987 it made an attractive offer to a former journalist named Greg Schirf for sale of the land. Schirf wanted to buy but still had a major hurdle. A native of Milwaukee, he had to persuade state legislators to legalize brewpubs. He jokes that legislators didn't know the difference between a brewpub and a tavern, but in the end they approved the businesses, and in 1989 he opened the Wasatch Brew Pub in Park City. It helped draw visitors up Main Street and bolster tax collections.

Despite its domination by the Church of Latter-Day Saints, which does not condone alcohol, Salt Lake City has more breweries than you might expect. Even Provo, home to the church-sponsored Brigham Young University, twitters with rumors of a planned brewery. But then, Utah has always had lots of breweries, some owned by church members.

"It's funny how the more things change, the more they stay the same," says Del Vance, who wrote *Beer in the Beehive*, a book about brewing history in Utah. The state had many breweries in its early years because beer, like food, had to be produced locally. Transportation was limited and refrigeration even more so. "Every little city, town, or whatever had its own brewery close by, if not several," he says. "Most beer was chilled in beer cellars."

Non-ice refrigeration began about 1900, but it was expensive and bulky. Then came prohibition, and about 80 percent of breweries didn't return, says Vance. By the mid-20th century, only a handful of mass-produced, mass-marketed beers remained.

Today, craft brewers continue to grow even as the older, more successful breweries sell their original equipment to a new generation of beer makers. Paul Gatzka, director of the Brewers Association, points to state laws that govern liquor production and distribution as important in deciding where brewers locate. Some states have more favorable climates to start a packaging brewery than others.

Craft brewing can be seen as parallel to the local food movement. **In California, local food and local suds are coming together literally as a new law allows packaged craft beer to be sold at farmers markets.** Too, says the Brewers Association's Herz, there's a feel-good element to the craft sector. "What they do is not just make beer, but they often enhance and help lift up the areas there their breweries are based," she says. They celebrate passion and good causes.

Can this growth be sustained? With places like Asheville, North Carolina, and Richmond, Virginia, actively recruiting brewers, the economic landscape looks promising. The Brewers Association has knowledge of 2,000 new craft breweries planned on top of today's 3,200. Keep in mind that at the end of the 19th century, the U.S. had 4,000-some breweries but a much smaller population. As in so many things, the future looks an awful lot like the past. ■

Allen Best is based in metropolitan Denver, where he edits the e-zine *Mountain Town News*. He is a frequent contributor to *Planning*.

RESOURCES

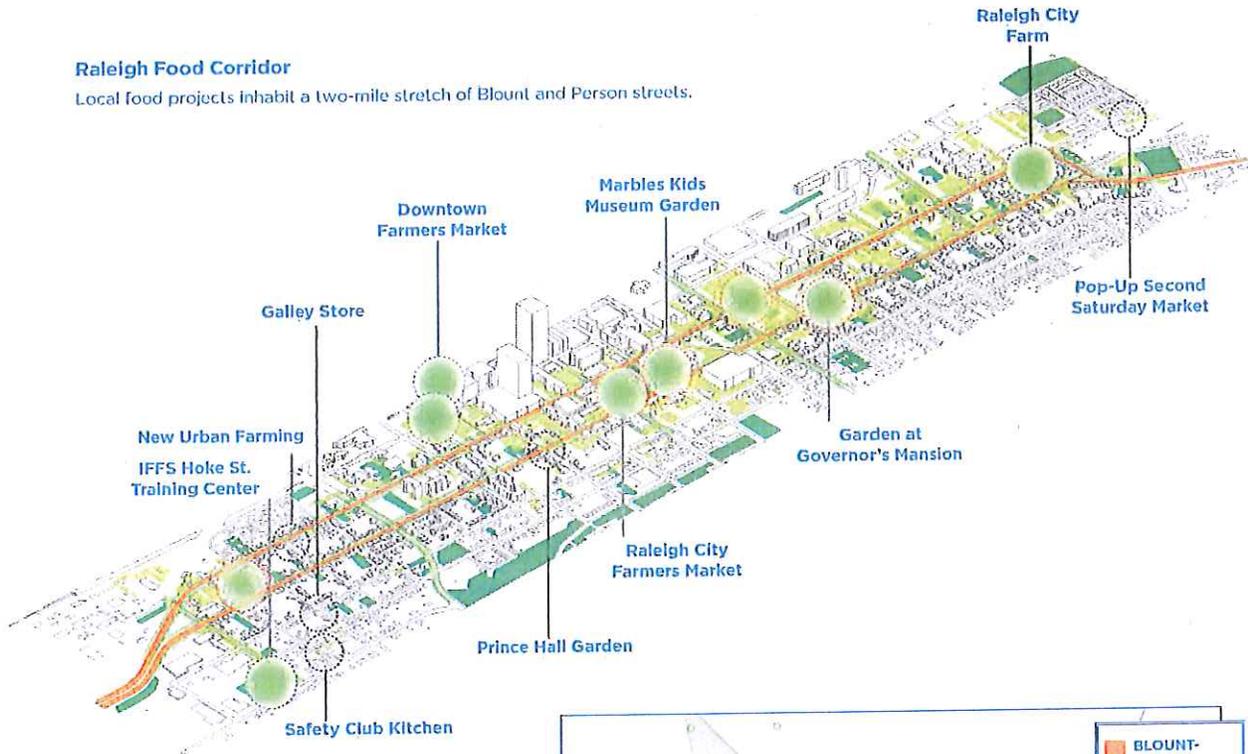
FROM APA

"Zoning for Small-Scale Alcohol Production: Making Space for Brewpubs, Microbreweries, Microwineries, and Microdistilleries," *Zoning Practice*, March 2014.

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Raleigh Food Corridor

Local food projects inhabit a two-mile stretch of Blount and Person streets.



brought the concept to a wider audience.

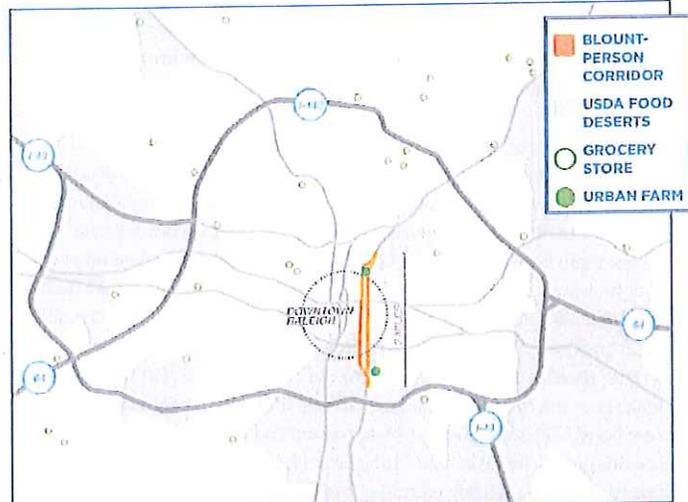
White says that the foundation has given about \$10,000 to help Community Food Lab run "Second Saturday" tours and other meetings. Next, the team is discussing how to fund a strategic plan for the corridor.

Planners' role

City planners have remained at the edges of the discussion about the corridor, watching to see what becomes of the concept. "They have an idea of their own, and I think the worst thing planners can do is force it," says Grant Meacci, planning and design manager at the city's Urban Design Center.

Meacci said it seems best for the groups working on the food corridor to remain nimble until they're sure of their vision and needs. That's when a strong partnership with the city could come into play. Until then, planners are valuable guides, sharing their expertise and even physical spaces, like the Urban Design Center, where groups can gather to hash out their plans, he says. "I think planners are great at helping people build capacity," Meacci adds.

The corridor has caught the attention of Advocates for Health in Action, a group that promotes healthy eating and physical activity in Raleigh and



GRAPHICS COURTESY COMMUNITY FOODLAB

Wake County. Director Sara Merz says that the corridor complements her group's work not just by supporting local food but also by encouraging people to get out and about, visiting interesting local destinations. "If we can make public spaces feel good, it reinforces people's desire to be in those places," she adds.

White suggests that a successful food corridor could help inspire change across the city by encouraging an even larger local food system, one

with economic, social, and ecological benefits. "My hope is that it helps drive a bigger conversation about food in Raleigh," he says.

Sarah Barr is a reporter in Raleigh, North Carolina.

Food

The tasting room is where it's happening



A



DC Brau Pale Ale. On a given Saturday, between 1 and 4 p.m., the brewery will attract 300 to 500 visitors for free tours and tastings and sell growler fills. (Deb Lindsey/FOR THE WASHINGTON POST)

By **Greg Kitsock** May 25, 2012

Today's start-up breweries don't want to be mere beer factories; they aspire to be beer destinations.

Central to that plan is a tasting room. It's not just a place where guests sip samples out of plastic cups. It also serves as a storefront for selling growlers and six-packs to go; a laboratory for testing new recipes; and a community room where locals can jaw over

Advertisement

sports, politics and the merits of the local beer.

[View Archive](#)

“It used to be that there were tasting permits for grocery and liquor stores but not for breweries,” recalls

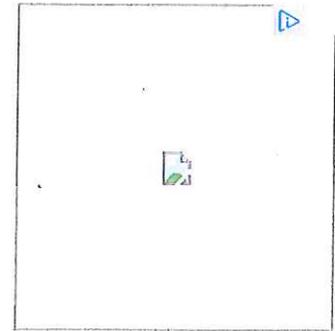
Brandon Skall, chief executive of DC Brau in the District. “We actually wrote the legislation to allow tasting rooms and hired a lawyer to lobby the city council.”

Ad

On a given Saturday between 1 and 4 p.m., the brewery offers free tours and tastings that attract 300 to 500 visitors, many of whom pay to fill growlers while they’re there. “We like to have a food option for our guests,” says Skall, so he invites food trucks such as BBQ Bus and CapMac to back into the brewery’s loading dock and offer their wares.

“I don’t think we’d be in business if not for the tours and growler fills,” says Skall.

Ditto for the District’s Chocolate City Beer. The brewery will top up 100-plus growlers during a Saturday open house, says co-founder Jay Irizarry, accounting for up to 20 percent of weekly sales. Business will probably increase once Chocolate City



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receives a permit to offer samples: "People aren't necessarily going to commit to a growler without a taste first."

Dave Coleman, president of 3 Stars Brewing in Takoma Park, expects to serve his first beer by late June. But his tasting room is set to open Friday. Long before the first glass gets slung over the homemade, L-shaped bar, Coleman will operate the 500-square-foot space as a home-brew supplies shop, with merchandise that includes hop pellets, dried yeast and glass carboys. "There are easily over a thousand home-brewers in D.C.," estimates Coleman, and a dearth of local suppliers to serve them. He foresees amateur beermakers hobnobbing at the brewery, swapping advice with their peers and soliciting tips from 3 Stars' brew crew.

Baying Hound Aleworks in Rockville operates a tasting room with a five-seat bar that can accommodate 30 to 40 visitors, says owner Paul Rinehart. He charges \$5 for a tour. Guests can buy bottles and growlers (up to 288 ounces per customer) to go. Rinehart also can apply for up to a dozen special-events permits per year that allow him to sell pints over the bar. "It's great for gathering consumer data on new releases," he reports. This Thursday through Saturday, he'll offer several test brews, including Haile Selassie Stout, brewed with coffee beans from a local Ethiopian market.

District brewers can offer a visitor up to 12 ounces of free beer, but it can't be consumed at the brewery.

The recent passage of SB 604 will allow Virginia brewers to sell beer for on-premises consumption without applying for a restaurant license, a privilege already accorded the state's wineries. On May 15, Virginia Gov. Robert F. McDonnell dropped by Richmond's Hardywood Park Craft Brewery to sign the bill into law and toss a few hops into a kettle.

Eric McKay, a founder of Hardywood, says the law will promote tourism and encourage more start-ups. What's more, he blogs, "With more breweries from the western part of the country looking to expand to the East Coast, more favorable beer laws will certainly make Virginia more competitive in attracting \$20 million to \$100 million-plus in expansion projects."

Steve Crandall, owner of the Devils Backbone brewpub in Roseland, Va., said he's hiring three additional employees to staff the tasting room at his new production brewery in Lexington, Va., where his Vienna Lager and Eight Point IPA are packaged for the Northern Virginia market. Crandall says he hopes to host more events like the recent 600-guest fundraiser for Habitat for Humanity at the Lexington brewery.

Bill Butcher, founder of Alexandria's Port City Brewing, plans to throw a "pint party" on July 1, when SB 604 goes into effect. The change in law couldn't come at a better time: he's adding a second bar and doubling the taps.

The new law has limitations. Breweries can sell only beer they make, not guest beers from other breweries. **Lost Rhino Brewing in Ashburn will be able to dodge that restriction by applying for an on-premises license, says co-founder and head brewer Favio Garcia. The brewery also is installing a kitchen.** Chef Becky Jordan, who used to work at the Capital Ale Houses in Richmond and Fredericksburg, will dish up a menu that includes cheese plates, barbecued duck tacos and Thai shrimp salad. "It's not your typical pub fare," laughs Garcia, who says the kitchen should be operational by the first week in June.

Garcia will serve an experimental hoppy wheat ale dubbed Wild Farmwell Wheat. Garcia brewed the beer with the help of local home-brewers Peter Lee and Jasper Akerboom, scientists at nearby Janelia Farm Research Campus. Akerboom, a microbiologist, isolated a local yeast strain that was

*located in
an industrial
park*

P40

used to ferment the beer, which Garcia describes as “hoppy like an IPA” and earthy, but “not quite as sour as a lambic.”

That’s typical of the business strategies small beermakers are employing: Offer your customers something unique and they’ll beat a path to your brewery, no matter how far out in the ’burbs or backwaters.

Kitsock is the editor of Mid-Atlantic Brewing News.

ARTICLE 2 -- ESTABLISHMENT OF DISTRICTS

201 ESTABLISHMENT OF DISTRICTS

For the purposes of this ordinance, the unincorporated areas of Loudoun County are hereby divided into the following districts:

Residential

- A-10 -- Agricultural-Conservation (also Special District)
- A-3 -- Agricultural-Residential
- R-1 -- Single-family Residential
- R-2 -- Single-family Residential
- R-4 -- Single-family Residential
- PDH-12 -- Planned Development Housing - 12
- PDH-24 -- Planned Development Housing - 24
- PDH-30 -- Planned Development Housing - 30

Commercial and Office

- C-1
- PD-CH -- Planned Development - Commercial Highway
- PD-SC -- Planned Development - Shopping Center
- PD-OP -- Planned Development - Office Park

Industrial

- I-1
- PD-AI -- Planned Development - Airport Industrial
- PD-IP -- Planned Development - Industrial Park
- PD-GI -- Planned Development - General Industrial
- PD-SA -- Planned Development - Special Activities

Special

- Flood Hazard
- Historic Area

Previous Zoning Ordinance
District Regulations Re-Enacted
(See Article 15)

- Article 8C, Planned Community, Loudoun County Zoning Ordinance, amended June 1, 1962.
- Article 8D, Planned Community, Loudoun County Zoning Ordinance, amended August 5, 1969.

202 OFFICIAL ZONING MAP

The unincorporated areas of Loudoun County are hereby divided into districts, as indicated on a set of sheets entitled "Zoning Map of Loudoun County, Virginia" which, together with all explanatory matter thereon, is hereby adopted by reference and declared to be a part of this ordinance.

The zoning map shall be identified by the signature or the attested signature of the Chairman of the Board of Supervisors, together with the date of adoption of this ordinance.



Governor Rick Snyder
REINVENTING MICHIGAN
 Getting It Right. Getting It Done.

SNYDER

Michigan craft beer industry gets boost with new laws

Snyder also signs landline telephone, welfare reform legislation and three other bills

Tuesday, March 25, 2014

LANSING, Mich. - Gov. Rick Snyder today signed bipartisan legislation that will help create jobs and increase tourism by helping expand the state's booming craft beer industry.

The nine-bill package doubles the amount of beer microbrewers may produce, from 30,000 barrels per year to 60,000. It also allows brewpub owners to now have interest in five other pubs, up from the previous two, so long as the combined barrel production does not exceed 18,000 barrels per year. Additionally, small microbreweries that produce less than 1,000 barrels of beer per year are now able to distribute their product directly to retailers under certain conditions.

"[Michigan-made beer](#) is award winning and world renowned," Snyder said. "We have the fifth-largest number of microbreweries and brewpubs in the nation, and this legislation will empower our great craft beer industry to keep growing."

According to the Michigan Brewers Guild, the state's brewing industry contributes more than \$133 million to the economy and more than \$24 million in wages.

The package, House Bills 4709-4711, and Senate Bills 329, 504-507 and 650, do the following:

HB 4709, sponsored by state Rep. Kevin Cotter, doubles the amount of beer microbrewers may produce, from 30,000 barrels per year to 60,000. It is now Public Act 42 of 2014.

HB 4710, sponsored by state Rep. Peter MacGregor, increases the total number of brewpubs in which a single owner can have an interest from three total to six total, with a maximum combined capacity of 18,000 barrels of beer per year. It is now PA 43.

HB 4711, sponsored by state Rep. Andy Schor, allows a brewer to sell its beer for on-premises consumption at two locations on its licensed brewery premises. It also allows a microbrewer that produces less than 30,000 barrels of beer per year to sell its beer for on-premises consumption at any brewery licensed premises, and allow microbrewers to sell their beer for on-premises consumption at any brewery licensed premises, and allow microbrewers to sell their beer for on-premises consumption at any brewery licensed premises.

and 60,000 barrels of beer per year to sell its beer for on-premises consumption at not more than three licensed brewery locations. It is PA 44.

SB 329, sponsored by state Sen. Dave Hildenbrand, allows a wine maker, distiller, and brandy manufacturer, or parent company, subsidiary, or affiliate located in Michigan to acquire, develop, lease, finance, maintain, operate, or promote property occupied or to be occupied by another vendor, except a wholesaler, under certain conditions. It is Public Act 45.

SB 504, sponsored by state Sen. Joe Hune, revises existing law so that the Liquor Control Commission may only take actions that are consistent with the liquor control code and that protect the public health, safety and welfare. It is PA 46.

SB 505, sponsored by Hune, allows suppliers, wholesalers and warehouses to provide certain advertising items to licensees for marketing their alcoholic beverage products in Michigan. It also allows retailers to purchase certain items that have value, use, or purpose beyond the actual advertising value to market alcoholic beverage products in their licensed establishments. It is PA 47.

SBs 506 and 507, sponsored by Hune, remove a requirement that brewers, wineries, liquor makers or their wholesalers have to pay a state beer, wine or liquor tax more than once every three months. It also revises details for which entities are required to deliver the tax. They are PAs 48 and 49.

SB 650, sponsored by Hune, allows microbreweries that produce less than 1,000 barrels of beer per year to distribute directly to retailers under certain conditions. It is now PA 50.

Snyder also signed the following five bills:

SB 276, sponsored by Hune, permits community service as an allowable activity that may be included in a family self-sufficiency plan for recipients of Family Independence Program cash assistance benefits. It is now PA 51.

SB 636, sponsored by state Sen. Mike Nofs, increases consumer protections and ensures that every Michigan resident will continue to have access to high-quality home phone service. It modifies the process telephone providers must go through in order to transition traditional landline phones to new technologies while ensuring consumers will continue to have access to reliable home phone service, 911 and emergency services. The bill is now PA 52.

SBs 711 and 735, sponsored by state Sen. Jim Marleau, extend the sunset date on sales and use tax exemptions for materials purchased or used in the renovation of Detroit's Cobo Hall, because work is taking longer than expected. The tax breaks will now end on Jan. 1, 2016. The bills are PAs 53 and 54.

SB 389, sponsored by state Sen. Judy Emmons, allows veterans of the armed forces who served during the conflict in Vietnam but did not graduate high school to receive a diploma. It is now PA 55.

Visit legislature.michigan.gov for more information.



The City of

Dexter
Michigan

OFFICE OF COMMUNITY DEVELOPMENT

8140 Main Street • Dexter, Michigan 48130-1092 • (734) 426-8303 • Fax (734) 426-5614

Memorandum

To: Chairman Kowalski and Planning Commissioners
Courtney Nicholls, City Manager

From: Michelle Aniol, Community Development Manager

Re: Oil and Gas Drilling Follow-up

Date: February 25, 2015

Staff met with Doug Lewan and Laura Kreps of Carlisle Wortman Associates (CWA) to discuss regulation of oil and gas drilling and other extractive processes, as directed. Based on that meeting we determined the following:

- The Dexter Zoning Ordinance does not contain a definition for extractions pertaining to gas, oil or mining.
- The extraction of gas, oil or other extractions uses (i.e. mining) is not listed as a permitted or special land use, therefore it is not permitted.
- The provisions/process set forth in Section 3.07 Uses Not Otherwise Included within a District, could be used in the event someone wanted to establish a gas, oil or other extraction operation within the city in the short term.
- The city could consider establishing a moratorium to properly study the issue and develop appropriate and defensible regulations and standards.

Lastly, Mr. Lewan is researching the degree to which a city can regulate gas/oil drilling and will report to staff his findings. Staff will be sure to update the Planning Commission and Council.

