



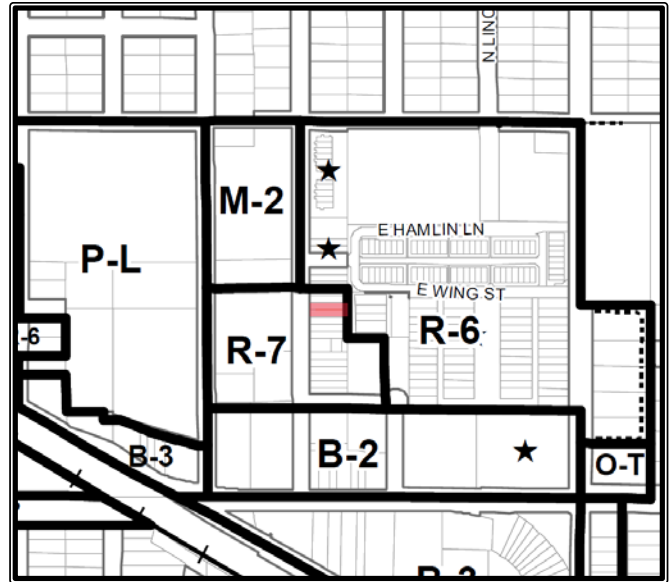
VILLAGE OF ARLINGTON HEIGHTS STAFF DEVELOPMENT COMMITTEE REPORT

Project Number: PC 14-023
Project Title: Arlington Beer Company
Address: 19 N. Hickory Avenue
PIN: 03-29-406-007 and 03-29-406-008

To: Plan Commission
Prepared By: Sam Hubbard, Development Planner
Meeting Date: June 9, 2021
Date Prepared: June 4, 2021

Petitioner: Arlington Beer Company, Inc.
Kathleen Egan
Address: PO Box 401
Itasca, IL 60143

Existing Zoning: R-7: Multi-Family Dwelling District
Overlay Designation: Hickory-Kensington Overlay
Comprehensive Plan: Moderate Density Multi-Family



SURROUNDING LAND USES:

Direction	Existing Zoning	Existing Use	Comprehensive Plan
North	R-7: Multi-Family Dwelling District	Glass Manufacturer	High Density Multi-Family
South	R-7: Multi-Family Dwelling District	Knights of Columbus	Moderate Density Multi-Family
East	R-6: Multi-Family Dwelling District	Single-Family Homes	Moderate Density Multi-Family
West	R-7: Multi-Family Dwelling District	Heller Lumber	High Density Multi-Family

Requested Action:

1. Land Use Variation to allow a Brewery with a retail portion at 50% of the total floor area where a retail portion is limited to 10% of the total floor area.

Variations Required:

- Chapter 28, Section 6.12-1.3, to waive the requirement for a traffic and parking analysis from a qualified professional engineer.
- Chapter 28, Section 10.4, to reduce the required on-site parking from 60 spaces to 0 spaces.
- Chapter 28, Section 6.13-3b, to allow a 7' tall open fence with an 8' tall decorative gate and 12' tall decorative element in a side yard, a 12' tall solid fence in the rear yard, and a 7' tall solid fence in a rear yard (rear fence/gate and dumpster enclosure), all proposed where the maximum permitted fence height is 6' tall.
- Chapter 28, Section 6.5-6, to allow the proposed exterior chimney on the rear accessory building to be 17' where code limits the maximum height of accessory structures to 15'.

Project Background:

The subject property is 19 North Hickory Avenue, which contains two buildings; one in the front and a smaller accessory building at the rear. The rear building is a one-story structure of 1,144 square feet, and the front building is a two-story structure of approximately 2,836 square feet. Both buildings are mostly vacant and used for miscellaneous storage. Access to the site comes from a curb cut along Hickory Avenue, as well as a rear alley that provides access via an easement from the Arlington Market single-family homes to the east.

Subsequent to being informed by the Village that beer production was permitted within the M-2 district (staff error), the petitioner purchased the property at 19 N. Hickory in 2012, which was zoned M-2 at the time. However, upon further examination of the Zoning Code, the Village determined that production of non-alcoholic beverages was allowed within the M-2 District, however, production of alcoholic beverages was **not** permitted within the M-2 District. Since that time, the Village adopted the Hickory-Kensington Overlay Zone and rezoned the subject property into the R-7, Multiple-Family Dwelling District. Although the property is zoned R-7, the Hickory-Kensington Overlay District allows (grandfathers in) M-2 uses on the subject property.

In 2014, the Arlington Beer Company submitted a zoning application for a land use variation to allow for the brewing of alcoholic beverages at 19 N. Hickory, which was to include beer production and a taproom. At that time there was no liquor license classification for a microbrewery that sold bottled beer to the public and provided beer tastings and/or taprooms. Staff informed the petitioner that until a liquor license was created to allow for this use, the land use variation for a taproom could not proceed, however, they could proceed for a land use variation to allow production and distribution of beer. The petitioner opted to postpone any action on the 19 N. Hickory property.

In 2018, the Village Board approved an amendment to the Liquor Code that created a class “M” license. This license permitted the onsite consumption of beer or ale brewed onsite at a microbrewery or brewery, subject to certain restrictions (outlined in **Exhibit 1** at the end of this report). Concurrently, the Village Board also approved a change to the Zoning Code to allow microbreweries and breweries within certain zoning districts, which also allowed limited space for a brewery/microbrewery to conduct retail sales (including on premise consumption) of alcoholic beverages. Specifically, where microbreweries are allowed within a business district, the retail sales portion is limited to 35% of the overall floor area of the brewery. Where breweries and microbreweries are allowed within a manufacturing district (such as the subject property with its M-2 zoning allowances), the retail sales portion is limited to 10% of the overall floor area. The retail sales size restrictions were added due to the Village Board’s desire to restrict these facilities from becoming too much like a bar and to address limited parking in manufacturing districts. **Exhibit 2** at the end of this report outlines the zoning regulations for breweries and microbreweries. Upon approval of the new liquor class and zoning regulations, Arlington Beer Company began working with staff to proceed with the zoning approval process.

The petitioner has revised their proposal several times to address concerns as identified by both staff and the Village Board. The petitioner’s current proposal is for use of the rear accessory building as a brewery and conversion of the two-story primary structure into a tap room with an event/overflow area on the second floor. The exterior of the site would be renovated with a fireplace, television, lighting, pavers and outdoor game/seating areas. There would be two employees working out of the rear brewery building during brew times, and the taproom would have four employees. There would be no onsite food preparation, although the petitioner has indicated that food trucks may be arranged for special events. Hours of operation are as follows:

- Monday-Thursday: 12:00pm-10:00pm

- Friday-Saturday: 12:00pm-12:00am
- Sunday: 12:00pm-10:00pm

It should be noted that the liquor license will require closure of the outdoor area by 11:00pm on any night.

There is no formal off-street parking lot on the subject property. On-street parking is permitted on both sides of Hickory Avenue with no parking restrictions/hourly limits. There are approximately 42 on-street parking spaces provided on the west side of Hickory Avenue and approximately 31 on-street parking spaces provided on the east side of Hickory Avenue (73 spaces total). On-street parking is also permitted on Douglas, which includes approximately 61 spaces on the east side of Douglas and 86 spaces on the west side of Douglas. Additionally, the Park District has a public parking lot on the west side of Douglas that contains approximately 56 parking spaces.

Plat and Subdivision Committee:

The petitioner appeared before the Plat and Subdivision Committee on October 27, 2014 for review of their proposal. Relative to the 19 North Hickory site, the petitioner's concept did not include the level of detail as currently shown on the plans; their plans at that time only depicted a small area for retail sales of packaged beer with the majority of the space being used for brewing. No details on the outdoor usage were provided during the 2014 Plat and Subdivision Committee meeting. The subcommittee was generally open to the concept of a brewery/taproom use at this location, although acknowledged that the long-term plans for this area envisioned moderate-high density residential uses. Parking for the brewery/taproom was also a concern.

Neighborhood Meeting:

On the evening of Thursday, February 21, 2019, the petitioner held a neighborhood meeting to introduce the project to the surrounding community. Five members of the community attended the meeting, and according to the petitioner, asked questions about parking, hours of operation, and when the Arlington Beer Company would open for business. Discussion occurred on parking management during times when the Knights of Columbus had an event that yielded a large crowd, and the petitioner mentioned they would promote alternate options such as Uber, bikes and parking on Douglas. Overall, the petitioner felt that the tone of the meeting was positive, particularly from the residents who stated they were looking forward to this type of business being available in the community.

Village Board Early Review:

As the petitioners' plan evolved to show an increase in the taproom portion of the business, as well as details on usage of the outdoor areas, Village staff encouraged the petitioner to appear before the Village Board for an Early Review. On March 18, 2019, the petitioner presented their concept to the Village Board, which was generally in favor of the concept but had issues with the parking and questioned if the tap room size needed to be reduced to a smaller percentage of the overall business. The Village Board minutes from this meeting are attached.

Design Commission:

On March 10, 2020, the Design Commission met to discuss the project and voted unanimously to recommend approval of the application subject to three minor recommended changes. Overall, the Design Commission was supportive of the proposed exterior upgrades to the building and enthusiastic that this project would continue to encourage revitalization along Hickory. Meeting minutes from the March 10th Design Commission meeting are included in the packet to the Plan Commission.

Zoning and Comprehensive Plan

As outlined above, breweries and microbreweries are only allowed within the M-2 District if floor area for retail sales/taproom is 10% or less than the overall size of the facility. Based on the petitioner's floorplan, 50% of the total floor area of the two buildings (exclusive of common areas) is devoted to retail sales/taproom, which includes the first and second floors of the main building, as well as the rear accessory building. Therefore, a land use variation is required to allow a microbrewery with a retail sales floor area of 50% of the total floor area where code restricts the maximum percentage retail sales to 10% of the overall floor area. The table below summarizes this information:

	Total Square Footage (Gross)	Square Footage Devoted to Retail Sales (Net)
1st Floor	1,500	990
2nd Floor	650*	650*
Rear Brewery Building	1,144	0
TOTAL	3,294	1,640 (50%)
Outside Area (not factored retail floor area)	Approx. 1,575	Approx. 1,575

* Petitioner is proposing construction of walls at 7' headroom to decrease size of space

The petitioner is also proposing alcohol consumption in areas outside of the building, as well as a small space for recreational games (bag toss). The total square footage of the outside areas is approximately 1,575 square feet. Although this area is not considered "floor area" to be factored into the zoning limitation for retail sales, it should be noted that this is an additional area where consumption of alcohol would occur and this area is counted towards the parking requirement. In sum, the facility will provide approximately 73 interior seats for alcohol consumption and approximately 65 exterior seats for alcohol consumption, for a total of 138 seats (plus additional standing areas).

The subject property is within the R-7, Multiple-Family Dwelling District, and also within the Hickory-Kensington Overlay District, which grandfathered in and thus allows M-2 uses on the subject property despite the existing R-7 Zoning. However, due to the taproom at 50% of the overall floor area size, a Land Use Variation is required. Per Chapter 28 of the Municipal Code, land use variations shall only be approved when they meet four criteria of approval as outlined below:

- ***The proposed use will not alter the essential character of the locality and will be compatible with existing uses and zoning of nearby property.***
- ***The plight of the owner is due to unique circumstances, which may include the length of time the subject property has been vacant as zoned.***
- ***The proposed variation is in harmony with the spirit and intent of this Chapter.***
- ***The variance requested is the minimum variance necessary to allow reasonable use of the property.***

The petitioner has provided a written response to these standards of approval, which has been included in the packet to the Plan Commission. The Staff Development Committee is supportive of the taproom portion at 50% of the overall floor area, but has concerns over the intensity of use of the exterior areas and notes that one of the intents and purposes of the Zoning Code is to regulate the intensity of land use within the Village to protect the public health. As such, the Village is recommending a condition of approval that would reserve the right for the Village to add future restrictions on usage of the outdoor area should it be determined that this area is a detrimental nuisance to surrounding property owners, including (but not

limited to) restrictions on the hours of operation and maximum number of occupants. No live events shall be allowed within the outdoor patio area.

The Comprehensive Plan designates this site as “Moderate Density Multi-Family”, which coincides with the Hickory-Kensington Plan that envisions this area becoming a mixed-use pedestrian friendly environment. The existing Comprehensive Plan designation is the appropriate designation for this site given the long-term vision for the area and the Staff Development Committee is not recommending an amendment to the Comprehensive Plan.

Given the proposed exterior changes and lack of onsite parking, several variations are required, which will be discussed later within this report.

Building, Site, Landscaping:

The petitioner has not proposed any alteration to the locations of the existing structures on the property, and all exterior building changes are to the architecture of the building and do not alter any setbacks. The rear setback complies with code, and all other setbacks are legally non-conforming, as well as the legal non-conforming size of the accessory structure that will be used for brewing. However, the petitioner has proposed a fireplace addition to the side of the accessory structure, which will cause the chimney to extend above the maximum allowable heights for an accessory structure. The following variation has therefore been requested:

- ***Variation to Chapter 28, Section 6.5-6, to allow the proposed exterior chimney on the rear accessory building to be 17’ where code limits the maximum height of accessory structures to 15’.***

The petitioner has provided their written justification for this variation, which has been included in the packet transmitted to the Plan Commission. The Staff Development Committee recommends approval of the variation and notes that the majority of building height will remain compliant and appear unchanged; the small chimney addition is appurtenant to the overall building and is necessary to comply with building code requirements for chimney venting height.

To enclose the outdoor seating/drinking area, the petitioner has proposed a 7’ tall vinyl fence with retractable gate at the rear of the property (east), a 8’ tall wood framed fence along the north property line, and an eight foot tall wrought iron style fence/gate with a 12’ tall decorative element along the front of the property (west). The Knights of Columbus building to the south is built to the property line, which creates a natural enclosure for the rear seating/drinking/game area. However, fence heights are restricted to a maximum of six feet, and the following variation is therefore required:

- ***Chapter 28, Section 6.13-3b, to allow a 7’ tall open fence with an 8’ tall decorative gate and 12’ tall decorative element in a side yard, a 12’ tall solid fence in the rear yard, and a 7’ tall solid fence in a rear yard (rear fence/gate and dumpster enclosure), all proposed where the maximum permitted fence height is 6’ tall.***

The Staff Development Committee believes that the necessary criteria for approval have been met and notes that the decorative fencing along Kensington will provide an attractive aesthetic for the development, as well as allow viewing into the rear seating area for safety and enhanced visibility. The proposed seven-foot tall vinyl gate at the rear of the property will match the existing seven-foot tall vinyl fence in that location, and the eight-foot tall wall on the north will abut a property that is not used as a residence. Additionally, the

Design Commission reviewed the architecture of the decorative fence along the front of the site and found that it was compatible with the overall design of the project.

The petitioner has proposed extensive landscape enhancements to the site, which currently has no landscaping on the interior and is composed of a gravel parking area. The interior of the site will be improved with concrete patio surfaces, synthetic turf for bag toss, three ornamental trees, four arborvitae, multiple ornamental shrubs, a decorative light canopy/strings, and planters at the front sidewalk. The addition of landscaping, removal of the gravel parking surface, and renovation to the building exterior will be an improvement from the current industrial appearance of the site and will help to facilitate the pedestrian friendly environment in this area as outlined by the Hickory–Kensington Plan.

Traffic and Parking:

The petitioner has requested a variation from Section 6.12-1.3 to waive the requirement for a traffic and parking study prepared by a qualified professional engineer and has submitted written justification to support their request. Staff is supportive of the requested variation and concurs that the necessary criteria for approval have been met. Given expected traffic peaks for this type of development, staff does not believe the proposed brewery/taproom will have a negative impact on traffic within the surrounding area.

Relative to parking, as previously mentioned, the subject property does not include any formal on-site parking spaces. Based on code requirements, a total of 60 parking spaces are required by code, resulting in the need for the following variation:

- ***Chapter 28, Section 10.4, to reduce the required on-site parking from 60 spaces to 0 spaces***

Detailed parking calculations are included in **Exhibit 3** at the end of this report. Per the parking calculations, peak occupancy of the interior taproom areas would approach 96 persons, and peak occupancy of the exterior areas would approach 101 persons, equating to a total peak occupancy for the facility of around 197 people. Given this expected occupant load, the Zoning Code requires the business to provide parking for 60 cars. The petitioner has not provided any parking spaces onsite, but has arranged for a three-year lease with the Park District for 26 parking spaces within the Park District parking lot south of the swimming pool at Recreation Park (approx. 500' west of the subject property), which agreement is subject to approval by the Park District Board on June 7, 2021. Additionally, the petitioner has surveyed parking along Hickory and Douglas in early January of 2019 and again in early May of this year, and the Village has a parking survey from Hickory that was done in June of 2018. The petitioner has made the following points:

- Their parking survey shows ample parking supply available during survey times. Additionally, the petitioner has stated that they have been to the site numerous times over the past year, on both weekdays and weekends, all times of the day and night, and observed ample parking available on both Hickory and Douglas.
- Customers will be informed about the Park District parking option via their website and social media sites. They will also have parking informational signage in the tap room.
- In combination with the 26 parking spaces on the park district site, the petitioner believes there to be sufficient on-street parking to accommodate for their demand.

The Staff Development Committee has concerns with the parking surveys and notes that surveys from January of 2019 do not account for seasonal peaks at the Park District and no information was provided relative to events that may have been occurring at the Knights of Columbus or the American Legion facility

while the survey was taking place. Additionally, no events were occurring at the Knights facility during the May 2021 survey, and it is unlikely that events were occurring at the Park District due to the season and CoVid-19.

Specifically, the surveys on Hickory were done during one Saturday and one Monday in June of 2018, which showed peak weekend usage of on-street parking along Hickory to be 42 cars at 8:00pm (58% occupied), and peak weekday usage around 11:00am where 44 cars were parked on Hickory (60% occupied). Additional surveys on Hickory and Douglas were done during one Friday and one Saturday in January of 2019, which showed peak weekend usage of on-street parking along Hickory to be 33 cars at around 7:00pm (45% occupied), and peak weekday usage around 2:30pm where 46 cars were parked on Hickory (63% occupied). Finally, recent surveys along Hickory from one Saturday and Monday in early May of this year showed peak weekend usage of on-street parking along Hickory to be 10 cars at noon (14% occupied), and peak weekday usage around noon where 12 cars were parked on Hickory (16% occupied).

The Staff Development Committee does not believe sufficient evidence has been provided to demonstrate the availability of on-street parking spaces and notes that the hours and number of days surveyed was very limited. Furthermore, as this area of town continues to redevelop, there will be additional demand for on-street parking and hourly restrictions on parking may be required at some point in the future.

One of the intents and purposes of the Zoning Code is to “limit congestion in the public streets and protect the public health, safety, and general welfare by providing for the off-street parking of motor vehicles.” Granting a variation that would shift the burden of 34 permanent parking spaces (and eventually an additional 26 spaces if the pending 3-year agreement with the Park District expires) onto public streets would not be within the spirit and intent of the Zoning Code. In order to protect the public welfare, the Staff Development Committee recommends a condition of approval that would restrict maximum occupancy within the facility. Per discussions with the petitioner, they have indicated that their typical business peak would be only around 30-40 patrons (including indoor and outdoors).

The SDC notes that 26 parking spaces as outlined within the pending 3-year agreement with the Park District equates to the parking demand expected by 87 occupants. Therefore, provided the petitioner is able to maintain the agreement with the Park District, occupancy shall be restricted to 87 persons. Should the agreement with the Park District expire, the petitioner must reduce occupancy to no more than 50 persons, or provide a substantially similar solution to the parking deficit for review and approval by the Plan Commission and Village Board. Additionally, the petitioner must put into place a system to manage occupancy and have an accurate occupancy count at all times. Such measures shall be approved by Village Staff. If upon inspection by the Village, there are multiple repeated violations to the maximum occupancy, the Village may pursue any and all legal remedies, including possible closure, revocation of the liquor license, or other actions as deemed appropriate by the Village.

The petitioner is required to provide two bicycle parking spaces per code and has included a two-space bike rack at the entrance along Hickory Avenue.

RECOMMENDATION

The Staff Development Committee has reviewed the proposed land use variation to allow a brewery within an R-7 District with a retail portion at 50% of the total floor, as well as the following variations:

- 1. Chapter 28, Section 6.12-1.3, to waive the requirement for a traffic and parking analysis from a qualified professional engineer.**
- 2. Chapter 28, Section 10.4, to reduce the required on-site parking from 60 spaces to 0 spaces.**
- 3. Chapter 28, Section 6.13-3b, to allow a 7' tall open fence with an 8' tall decorative gate and 12' tall decorative element in a side yard, a 12' tall solid fence in the rear yard, and a 7' tall solid fence in a rear yard (rear fence/gate and dumpster enclosure), all proposed where the maximum permitted fence height is 6' tall.**
- 4. Chapter 28, Section 6.5-6, to allow the proposed exterior chimney on the rear accessory building to be 17' where code limits the maximum height of accessory structures to 15'.**

The Staff Development Committee recommends **APPROVAL** of the application, subject to the following conditions:

1. Occupancy for the entire subject property (indoor plus outdoor areas) shall not exceed 87 people, provided that the petitioner has an active agreement with the Park District for 26 parking spaces within the Recreation Park parking lot. Should this agreement expire, the petitioner must restrict maximum occupancy to no more than 50 persons, or provide a substantially similar solution to the parking deficit for review and approval by the Village Board.
2. The petitioner must put into place a system to manage occupancy and have an accurate occupancy count at all times. Such measures shall be approved by Village Staff. If upon inspection by the Village, there are multiple repeated violations to the maximum occupancy, the Village may pursue any and all legal remedies, including possible closure, revocation of the liquor license, or other actions as deemed appropriate by the Village.
3. The Village reserves the right to add future restrictions on usage of the outdoor area should it be determined this area is a nuisance, which shall be at the discretion of the Village. Such restrictions include, but are not limited to, restrictions on the hours of operation and maximum number of occupants.
4. No live events shall be allowed within the outdoor area.
5. Compliance with the March 10, 2020, Design Commission motion shall be required.
6. The petitioner shall comply with all Federal, State, and Village Codes, Regulations, and Policies.

June 4, 2021

Bill Enright, Deputy Director of Planning and Community Development

Cc: Randy Recklaus, Village Manager
All Department Heads

Exhibit 1: Class "M" Liquor License Provisions

Class "M" license shall permit the onsite consumption of the beer or ale brewed onsite at a microbrewery or brewery. Class "M" licenses are subject to the following conditions:

1. On-premises consumption shall be limited to the retail portion of the microbrewery or brewery, except during supervised tours and private events.
2. Beer and ale for onsite consumption shall be dispensed only in containers provided by the licensee.
3. No more than a total of 48 ounces of beer or ale shall be served for the purpose of onsite consumption to any customer in one day.
4. The retail sale of beer or ale produced off premises shall be permitted.

Exhibit 2: Zoning Regulations for Breweries and Microbreweries

Commercial Uses	B1	B2	B3	B4	B5	I	OT	PL	M1	M2
Microbrewery, more than 2,500 square feet but less than 4,000 square feet Note: the retail portion shall not exceed 35% of the total floor area of the unit or building occupied and shall be segregated from the remainder of the premises		s	s		s					

Commercial Uses	B1	B2	B3	B4	B5	I	OT	PL	M1	M2
Microbrewery, 2,500 square feet or less Note: the retail portion shall not exceed 35% of the total floor area of the unit or building occupied and shall be segregated from the remainder of the premises		p	p		p					

Manufacturing/Processing Uses	M1	M2	B3
Brewery (including microbreweries) up to 20,000 square feet Note: The retail portion shall not exceed 10% of the total floor area of the unit or building occupied and shall be segregated from the remainder of the premises. Facilities greater than 4,000 square feet shall not be permitted on a zoning lot contiguous to a residential district.	p	p	

Exhibit 3: Parking Calculations

SPACE	CODE USE	NUMBER OF OCCUPANTS*	NUMBER OF EMPLOYEES & VEHICLES	PARKING RATIO (1:X)	PARKING REQUIRED
1st Floor Interior	Assembly	53	-	30% of occupancy	16
2nd Floor Interior	Assembly	43	-	30% of occupancy	13
Exterior Seating Area	Assembly	90	-	30% of occupancy	27
Exterior Cornhole Area	Assembly	11	-	30% of occupancy	3
Exterior Deck (1st floor)	Assembly	0	-	30% of occupancy	0
Exterior Deck (2nd floor)	Assembly	0	-	30% of occupancy	0
Rear Brewery Building	Production	-	2 & 0	1 per 2 Emp. + 1 per vehicle	1
Total Required					60
Total Provided					0
Surplus / (Deficit)					60

*Number of Occupant calculations for application of parking regulations may differ from occupant calculations per the Building Code, although in most instances the calculations should be very similar.