

**AGENDA ITEM EXECUTIVE SUMMARY**

Agenda Item number: 4f

Title:	Discussion regarding zoning regulations for microbreweries (permanent outdoor areas)
Presenter:	Russell Colby

Meeting: Planning &amp; Development Committee

Date: April 12, 2021

Proposed Cost: N/A

Budgeted Amount: N/A

Not Budgeted: **Executive Summary** (if not budgeted please explain):Background

A number of microbreweries are operating in St. Charles. The City's Zoning Ordinance does not list a "microbrewery" as a business/use category. As microbreweries opened over the past few years, the businesses were classified within related use categories:

- In commercial zoning districts, microbreweries function as an "accessory" use to a Restaurant or Bar/Tavern (includes Alter Brewing, Pollyanna and Octane 93). Outdoor Dining is a permitted accessory use in commercial districts.
- In industrial zoning districts, the microbreweries are classified as a Light Manufacturing business (includes Riverlands and D&G). The "taproom" portion of the business is considered an "accessory" use.

(An "accessory" use is subordinate in area and function to the "principal" use- therefore the accessory use cannot occupy more than 50% of the total business floor area. This was reviewed at the time of building permit for each respective microbrewery.)

Proposal

Microbreweries are now common and the City has familiarity with the business model. As microbreweries seek to expand or enhance their operations, it would be beneficial for the City to define a formal use category in the Zoning Ordinance specific for microbreweries, both as a principal and accessory use. This would then enable the City to establish general standards for microbreweries as needed. One immediate area of interest is an outdoor use component.

During the pandemic, through the Temporary Outdoor Dining program, microbreweries expanded or added outdoor components. The Temporary Program will continue through the end of 2021. Once the Temporary Program ends, microbreweries in industrial districts will not be permitted to maintain a permanent outdoor area.

A request has been submitted by Riverlands Brewing Company, 1860 Dean St. The letter is attached. Riverlands is seeking to permanently establish an outdoor area in the location of their temporary outdoor area. In order to accommodate this request, the Zoning Ordinance needs to be amended.

Additionally, the Committee previously heard of DG Brewing's interest to host outdoor entertainment-standards for outdoor music (hours, noises, etc.) could also be considered with this amendment.

**Attachments** (please list):

Letter from Riverlands Brewing Company

**Recommendation/Suggested Action** (briefly explain):

Staff is seeking direction from the Committee for staff to initiate a General Amendment to the Zoning Ordinance in order to create a use category for microbreweries, and to establish standards for related accessory uses, such as a permanent outdoor area.

Plan Commission would hold a public hearing and provide a recommendation on the application, which will be forwarded to the P&D Committee for recommendation. The General Amendment process is typically 60 to 90 days.

March 24, 2021

St. Charles Community & Economic Development Team  
2 East Main Street  
St. Charles, IL 60174

Russell Colby & Team,

Riverlands Brewing Company would like to install a permanent patio, directly adjacent to our taproom, to accommodate the rapidly growing popularity of our craft brewery, provide outdoor seating for events and activities, and provide a better overall experience for our guests. Riverlands currently has a temporary outdoor patio, on the site of the proposed permanent patio, but the temporary permit expires at the end of 2021. The current outdoor patio is on privately owned property. The owners of Riverlands Brewing Company are extremely grateful for the cooperation that the City of St. Charles has granted our brewery and other small businesses that have been instrumental to our survival during the lengthy coronavirus pandemic. However, we learned the hard way that a temporary outdoor patio has major drawbacks during the long cold months of winter. It has been a constant struggle and financial challenge to provide shelter and a comfortable environment for our guests when blitzed by snow, sleet, and wind storms, downpours of rain as well as frigid temperatures. As spring approaches, our guests are eager to be outdoors, our temporary outdoor patio is virtually unusable until it dries out and the grass returns. It should also be noted that many other breweries in the surrounding area have permanent or semi-permanent outdoor spaces, and Riverlands and D&G are subject to an unusual limitation because of the zoning restrictions unique to St. Charles manufacturing. The relatively new craft brewing industry is constantly evolving and adapting to changing consumer behavior. City ordinances of many communities, including St. Charles, have struggled to keep up with ever evolving needs of the craft beer industry. The purpose of this letter is not to point out shortcomings rather to request a change to city zoning codes to assist small businesses, including Riverlands and D&G, keep guests patronizing our establishments instead of going to a brewery in another nearby city because they can enjoy a cold refreshment on a permanent outdoor patio during the hot summer months. This request is crucial to the long term viability of Riverlands and D&G Brewing Company.

### **The History of Riverlands Brewing Company:**

Riverlands Brewing Company was founded by the Marck family, who have lived in St Charles for three generations, have supported and been actively involved in the community since 1959.

Our other two business partners have many ties to St. Charles as well and both have recently moved to the Tri-Cities. After two long years of planning and six months of intense construction, Riverlands Brewing Company finally opened in March of 2019. The two years following our grand opening was an unbelievable journey, a lot of work and more than challenging. However, we have been handsomely rewarded for our efforts by the citizens of St. Charles who supported us through difficult times and the ongoing support of the mayor, councilman and city department personnel who have been very responsive and cooperative.

Riverlands mantra is to tantalize and amaze our customers with creativity when crafting unique beers in traditional as well as trendy styles. Our goal is to raise the bar in the Chicagoland area by making new, experimental and delicious fermented beverages. In our first two years of operation, Riverlands has extended our area of distribution of draft (barrels) and packaged beer from Gurnee to Rockford, Ottawa to Moline, Tinley Park to Frankfort and much of Chicago.

The vibrant and dynamic craft beer scene in the Tri-Cities is drawing beer tourism from across the state and even across the country. After nine months in business, Riverlands increased production capacity to accommodate the rapidly growing demand for our craft beer. Our fermenter capacity increased from 80BBL to 120BBL, and our year over year production volume jumped from 736BBL in 2019 to 1177BBL in 2020. While increasing off site sales at retail accounts is important for sustained sales growth, our primary goal has been and will always be our taproom. We sought to create an upscale rustic, yet modestly modern comfortable place for our patrons to enjoy a refreshing full flavored craft beer. The taproom is also family friendly. Food trucks provide unique delicious meals, on almost all weekends. We welcome people of all ages, including young families who need entertainment too, and occasionally have local live entertainment. While offering a relaxed and fun environment, we have always adhered to all city rules and regulations (including state mandated coronavirus restrictions) to provide a safe and secure workplace for our employees and patrons.

Conditions became much more challenging with the advent of the coronavirus pandemic. With careful financial budgeting and a bit of luck, we were able to retain all of our staff employees and re-direct sales efforts into more retail distribution in order to stay solvent. The "gift" from the city of allowing us to create a temporary taproom patio adjacent to our taproom enabled us to continue to operate, albeit well below previous levels, through the long cold winter.

Even before Riverlands opened for business, we worked hard to establish a strong connection with the community, devoting a lot of time, energy and free craft beer to many charitable causes; the park district, city events, local artisans and musicians. This past weekend, seventeen people, including four Riverlands employees, shaved our heads for St. Baldricks, a worthy cause for which we raised over \$20,000. We have also done fundraising events for The St. Charles History Museum, Support over Stigma, Hands for Hope, Project Mobility, the new Tiny & Tall Animal Rescue Shelter and many more.

### **Lessons Learned from a Temporary Outdoor Patio:**

Shortly after the pandemic struck, Riverlands was granted a temporary outdoor patio permit which we graciously accepted. State mandated coronavirus restrictions prevented indoor seating or serving which closed our taproom....one of our major sources of revenue and profit. Our taproom was closed permanently for nine months! Without a very successful online order/curbside pickup program and a rapidly growing retail distribution program, Riverlands would not have survived an interruption of business of this length. Significant support from the community immediately poured in, which made our online order/curbside pick up program and outdoor patio huge successes. Even after limited indoor seating was recently restored, we found the vast majority of our guests would much prefer to sit on the outdoor patio than in the taproom when weather permitted.

While requesting assistance from the Kane County grant program, we discovered Riverlands had incurred incremental COVID related expenses in excess of \$100,000 since the lockdown began in late spring of 2020. We implemented a labor intensive online ordering/curbside pickup program, new stricter cleaning regiments, ramped up employee training and instituted new staff policies, extensive COVID testing for staff and owners, increased packaging costs, and began to serve tables (in lieu of self ordering at the bar) and purchased eighteen Sun Bubbles and two large "wedding" tents. Keeping outdoor seating open throughout the winter months was a constant struggle. The Sun Bubbles were destroyed by a powerful wind storm. One "wedding" tent succumbed to a surprise derecho, the other to the weight of snow from multiple storms. In all of this chaos, Riverlands remained resilient, creative and flexible (we had no other option). More importantly we learned how valuable the taproom business was to the survival of our relatively new small business, to our mission to do right by the community and its citizens.

That brings us to our need for a permanent patio that will enable Riverlands to continue to grow and prosper. Many of our struggles and difficulties will be ease when the coronavirus is under control. Herd immunity from mass vaccination will eventually allow Riverlands (and so many other small businesses) to return to some level of normalcy. However, our patrons are now accustomed to eating and drinking outside which makes having an outdoor patio essentially all but mandatory. If we do not have one, our guests will go to another brewery that does have a permanent outdoor patio.

### **Benefits Derived from a Permanent Outdoor Patio:**

- Improve the look and greater usage of the adjacent outdoor space with a permanent patio as a natural extension of our attractive and modestly modern indoor taproom.
- Provide a clean, comfortable and safe outdoor environment for our guests.
- Maximize utilization of the outdoor space with more weather-proof structures.
- Eliminate closures caused by flooding and muddy conditions by installing a foundation of gravel below the pavers that can trap excess water and will prevent standing water.

- Provide a space of sufficient size to allow yard games, events and activities that will attract more traffic and increase sales.
- Install an attractive fence for privacy and security purposes that also conveys an upscale brand image.
- Provide soothing greenspace and landscaping that provides shade and improves the overall appearance of the neighborhood.
- Drive increased traffic to Riverlands which will generate increased sales and profits for the brewery as well as the City of St. Charles.

**Image of the Temporary Outdoor Patio of Riverlands Brewing Company in 2020:**

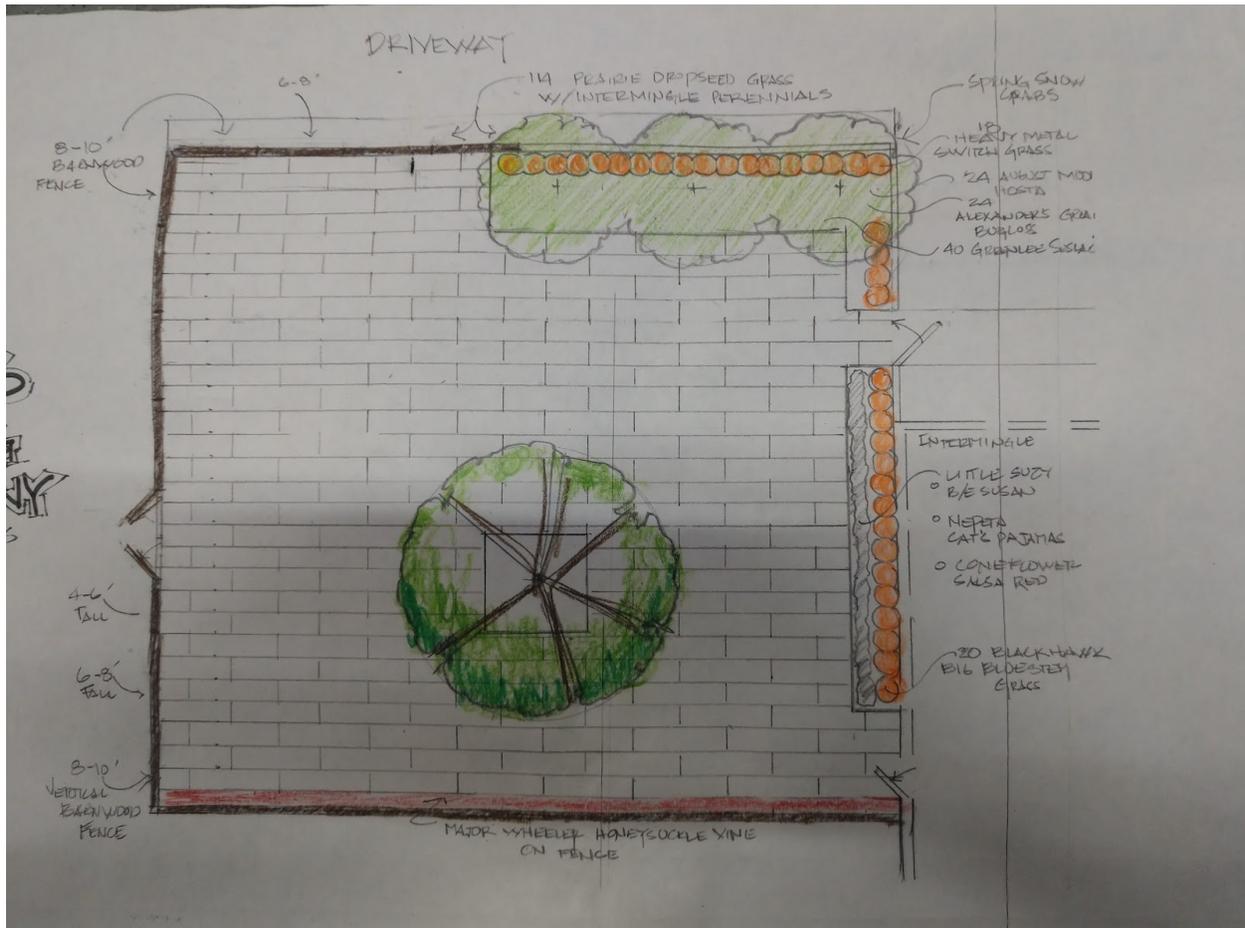


When the weather cooperated, we were able to provide a pleasant outdoor atmosphere, with colorful decorative plants in wood half barrels and hanging lighting. Umbrellas, which were not permanent, provided shade and picnic tables, made of a durable plastic, could be quickly and easily cleaned between guest visits during the coronavirus pandemic. Unfortunately, heavy traffic caused the grass to eventually become trampled beyond repair. When wet from rain or snow, the temporary patio area becomes a sea of mud. Although our patrons are very forgiving,

they deserve better. We want to give them a proper permanent patio, at our considerable expense, so they will continue to patronize Riverlands in 2021 and beyond.

### Proposed Permanent Outdoor Patio at Riverlands Brewing Company:

Here is a bird's eye view of the first concept drawing of the permanent structure:



We started with a map before choosing exact colors and textures. There will be two exits / entrances outside and another to the taproom. The shade tree in the center is still under discussion. The three trees along the top (South West corner) are non-fruiting cherry trees that blossom white. The orange circles are local grasses, and the red strip will be either a flowering vine or hop plants (or a mix of both). One entrance will meet up with our front sidewalk, the other will go to the paved alley next to the space. It will have double doors in case we need to move furniture or large objects. It will be surrounded by a fence that tapers from taller in the North West corner to just above the 4 foot minimum required by most liquor permits. The exact look of the fence is still up for discussion, but we hope to provide some cover from the sun, but also some gaps so that you can get a glimpse of what is inside. The pavers are not to scale, and will have a more complicated pattern. Not shown are several permanent poles that we can use to secure sun shades and hanging lighting. Their exact positions are TBD.

### Google Map Image of Proposed Permanent Outdoor Patio:



### Why Pavers versus Concrete?

We decided to go with man made pavers over concrete for two main reasons. First, they are more attractive than concrete. Second, we hope that the new permeable paver technology combined with the extra foot or so of foundation will provide better water runoff and the patio will dry quickly. The brand of pavers we have selected are coated with a special epoxy which

makes them more durable. When finished, the patio will be strong enough for a truck to drive on it without damaging the patio.

Image of the marketing materials that show the show the finished foundation:



Pavers also have an advantage in that they are much less likely to crack than concrete. Since our installation will be a permeable paver system, instead of a sand leveled sub-base, the material will be  $\frac{3}{8}$  inch angular limestone and the sub-base will be minimum 8" deep  $\frac{3}{4}$  inch angular gravel to allow for water to percolate through the entire system.

**Fencing:**

Since Riverlands is still in the planning process, we have not yet finalized the type and style of the parameter fence. We plan to have a mix of colors and styles from black aluminum fencing similar to Global Brew's in the short area, and larger shade providing wooden fencing. Also, the existing barrier fence, to shield the Malcor Roofing yard, is slated to be replaced with a taller, more attractive option. We will coordinate with them to ensure their new enhanced fence is similar in appearance to our parameter fence.

**Expected Use:**

We intend to create and use the outdoor patio as a natural extension of our existing taproom. The much needed additional space will allow for outdoor activities & events, fundraising events, live entertainment and most importantly, it will allow our patrons to simply enjoy the outdoors.

**Hours of Use:**

Currently, we are open until 9pm on weekdays (with last call at 8:30pm) and 10pm on Friday and Saturday (with a 9:30 last call). As the days get longer we plan to return to 10pm on weekdays, as long as the traffic supports it, and come the dog days of summer we may try going to 11pm on Fridays and Saturdays if we think traffic will support it. Our current license allows us to have patrons until Midnight, but we use this very rarely (we had two closed/private events that had an 11pm last call so far). Our crowd is not a late night crowd.

We do intend to have ample lighting so that the outdoor space can be enjoyed after sundown, but we are not asking for any extension of the hours allotted. The current plan is string lighting that is designed for outdoors, similar to the style we had last year (hanging edison bulbs) but more robust and dimmable.

**Entertainment:**

Having had an outdoor space for nearly a year now, we've found that it lends itself to several entertainment options. We do our Sunday Sessions indoors in the winter, and started going outdoors as weather permitted and found it drew a lot of interest. Sunday Sessions is where we bring in some local bands to play mood music. These are not raging angry bands. *Make it a Double* includes a guitar and a mandolin. The current ordinance has disallowed us from playing amplified music outside, which restricts which sorts of instruments artists can use. We would like to see if there was a way to amend that so we could bring this back outside, but it is not the focus of this request.

Other activities on the temporary outdoor patio were bags game competitions (aka Cornhole), a variety of other yard games, a Support over Stigma fundraising event with a speaker who talked

about the struggles of Kane County Veterans who suffered from PTSD, many private parties/events and a few holiday celebrations.

**Impact on Neighbors:**

We are fortunate to have found and located our business on the far west side of St. Charles. Our business blends well with the other businesses in the privately owned light industrial park. Most of these businesses operate from 8 - 5, when Riverlands is typically not as busy as on weekends. There are two fitness centers nearby that operate until 7. Their customers often stop by Riverlands after a hard workout. We have had no complaints about noise (or any other problems) from neighboring businesses. Our landlord, Malcor Roofing is an ardent supporter (and frequent visitor) of Riverlands Brewing Company. Lastly, there are no residential homes within earshot of our location and the closest homes are blocked by trees and buildings.

**Conclusion:**

Riverlands would like to request an adjustment to the manufacturing zoning restriction on outdoor space to allow us to build a permanent patio that will offer an attractive and fun venue for our patrons, allow for more community building activities, help us remain on a level playing field with other craft breweries in St. Charles and, ultimately, encourage more "craft beer tourism" which will generate more revenue for the city as well as Riverlands Brewing Company.

Cordially,

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