

**CITY OF TEMPE
DEVELOPMENT REVIEW COMMISSION**

**Meeting Date: 10/24/2023
Agenda Item: 8**

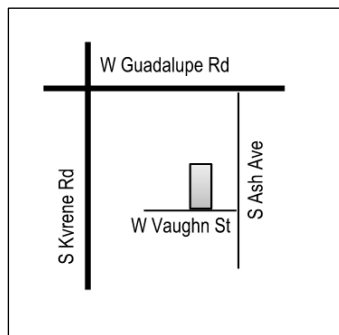
ACTION: Request a Use Permit to allow a distillery with ancillary uses including retail and a tasting room with a liquor license (Series 18) in the GID zoning district for REVILO DISTILLERY, located at 226 West Vaughn Street. The applicant is Oliver Passe.

FISCAL IMPACT: N/A

RECOMMENDATION: Staff – Approve, subject to conditions

BACKGROUND INFORMATION: REVILO DISTILLERY (PL230293) is located on Lot 8 of La Estancia Amended Subdivision, in the GID, General Industrial District. This includes a distillery with ancillary uses such as office, retail, a tasting room, manufacturing, and warehouse within 7,665 square feet of building area. The request includes the following:

ZUP230065 Use Permit to allow a distillery with ancillary uses including retail and a tasting room with a liquor license (Series 18)



Property Owner	SASHIMI LLC
Applicant	Oliver Passe, Revilo Distillery LLC
Zoning District	GID
Site Area	22,014 s.f.
Building Area	7,665 s.f.
Vehicle Parking (On-site)	16 spaces
Vehicle Parking (Off-site)	48 spaces (at adjacent properties per parking affidavit)
Total Vehicle Parking	64 total spaces provided (26 min. required)
Hours of Operation	11 a.m. to 1 a.m. daily

ATTACHMENTS: Development Project File

STAFF CONTACT(S): Lily Drosos, Planner II (480) 350-8245

Department Director: Jeff Tamulevich, Community Development Director

Legal review by: N/A

Prepared by: Lily Drosos, Planner II

Reviewed by: Mailén Pankiewicz, Principal Planner

COMMENTS

The site is located on the southeast corner of Kyrene and Guadalupe Roads, to the east of the Union Pacific Railroad. The business owner has indicated that all wholesale transactions will be by made by appointment. The tasting room will be ancillary to the distillery in which representatives of the distributors can sample the products. The retail component of the business is open to the public, where Revilo merchandise, art, and bottles of alcohol are available for purchase. The applicant is in the process of applying for all required permits and clearances for the Use Permit become effective.

PUBLIC INPUT

Staff has not received any public input since the writing of this report.

POLICE INPUT

The Tempe Police Department conducted an investigation on the business and operation and based on their findings they support approval of the Series 18 liquor license and Use Permit.

USE PERMIT

The proposed use requires a Use Permit to allow a distillery within the GID zoning district.

Section 6-308(E) Approval criteria for Use Permit (*in italics*):

1. *Any significant increase in vehicular or pedestrian traffic*; the use is not expected to cause a significant increase in vehicular or pedestrian traffic, and the site has ample parking pursuant to the shared parking agreement with the adjacent sites.
2. *Nuisance arising from the emission of odor, dust, gas, noise, vibration, smoke, heat or glare at a level exceeding that of ambient conditions*; the proposed use is not expected to cause nuisances exceeding that of the ambient conditions.
3. *Contribution to the deterioration of the neighborhood or to the downgrading of property values, which is in conflict with the goals, objectives or policies for rehabilitation, redevelopment or conservation as set forth in the city's adopted plans or General Plan*; alcohol production (distillery) is a permitted use in the GID zoning district subject to a Use Permi and the ancillary uses as referenced in the application are permitted by right.
4. *Compatibility with existing surrounding structures and uses*; the use is compatible with the adjacent uses and structures, as the building is within an existing industrial business park.
5. *Adequate control of disruptive behavior both inside and outside the premises which may create a nuisance to the surrounding area or general public*; the applicant does not anticipate disruptive behavior from the proposed use but has indicated that they are prepared to address any nuisances.

REASONS FOR APPROVAL:

Based on the information provided by the applicant, the public input received and the above analysis staff supports approval of the requested Use Permit. This request meets the required criteria and will conform to the conditions.

SHOULD AN AFFIRMATIVE ACTION BE TAKEN ON THIS REQUEST, THE FOLLOWING NUMBERED CONDITIONS OF APPROVAL SHALL APPLY, BUT MAY BE AMENDED BY THE DECISION-MAKING BODY.

CONDITION(S) OF APPROVAL: (Non-standard conditions are identified in bold)

EACH NUMBERED ITEM IS A CONDITION OF APPROVAL. THE DECISION-MAKING BODY MAY MODIFY, DELETE OR ADD TO THESE CONDITIONS.

1. The Use Permit is valid only after a Building Permit has been obtained, the required inspections have been completed and a Final Inspection has been passed. As part of the Building Permit process, on-site storm water retention may be required to be verified or accomplished on this Site.
2. The Use Permit is valid for the plans as submitted within this application. Any additions or modifications may be submitted for review during the building plan check process.
3. Hours of operation to end no later than 1:00 a.m. on a daily basis.

4. All nonconforming building lighting shall be removed and replaced with compliant light fixtures. Details can be resolved during Building Safety Plan Review.
5. **The light fixtures located at the main building entrance shall be full cut-off, facing downward, and have an illumination level of a minimum of 5.0-foot-candles.**
6. **The address sign located on the front parking screen wall shall be painted or replaced with a darker color to meet over 50% contrast and improve visibility.**
7. All rear exit doors require a security vision panel. Details to be approved through Building Safety Plan Review.
8. Update the data for parking file for this building prior to the Use Permit becoming effective. Provide information within 14 days.
9. **A revised parking affidavit between 226 West Vaughn Street (APN 301-47-706), 234 West Vaughn Street (APN 301-47-707) and 242 West Vaughn Street (APN 301-47-708) shall be executed, recorded, and provided to the City prior to use permit becoming effective.**

CODE/ORDINANCE REQUIREMENTS:

THE BULLETED ITEMS REFER TO EXISTING CODE OR ORDINANCES THAT PLANNING STAFF OBSERVES ARE PERTINENT TO THIS CASE. THE BULLET ITEMS ARE INCLUDED TO ALERT THE DESIGN TEAM AND ASSIST IN OBTAINING A BUILDING PERMIT AND ARE NOT AN EXHAUSTIVE LIST.

USE PERMIT:

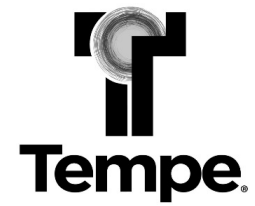
- The Use Permit is valid for REVILO DISTILLERY and may be transferable to successors in interest through an administrative review with the Community Development Director, or designee.
- The use permit approval shall be void if the use is not commenced or if an application for a building permit has not been submitted, whichever is applicable, within twelve (12) months after the use permit is granted or within the time stipulated by the decision-making body.
- The decision-making body, upon finding that the applicant has not taken corrective actions to resolve issues related to the permit/approval and that a continuation of the permit/approval is not in the interest of the public health, safety and general welfare, can revoke the permit/approval after providing written notice of its intentions to the holder of the permit.
- Specific requirements of the **Zoning and Development Code (ZDC)** are not listed as a condition of approval but will apply to any application. To avoid unnecessary review time and reduce the potential for multiple plan check submittals, become familiar with the ZDC. Access the ZDC through or purchase from Development Services.
- All business signs shall receive a Sign Permit. Contact sign staff at 480-350-8435.
- Any intensification or expansion of use shall require a new Use Permit.
- All required permits and clearances shall be obtained from the Audit and Licensing Division of the City of Tempe prior to the Use Permit becoming effective.
- All required Federal, State, County, and Municipal permits, licenses, and clearances shall be obtained, or the Use Permit is void.

HISTORY & FACTS:

April 6, 2011 A parking report was filed with the City of Tempe for shared parking between 226, 234, and 242 West Vaughn Street, providing 64 spaces total.

ZONING AND DEVELOPMENT CODE REFERENCE:

[Section 3-302, Permitted Uses in Office/Industrial Districts](#)
[Section 6-308, Use Permit](#)



DEVELOPMENT PROJECT FILE

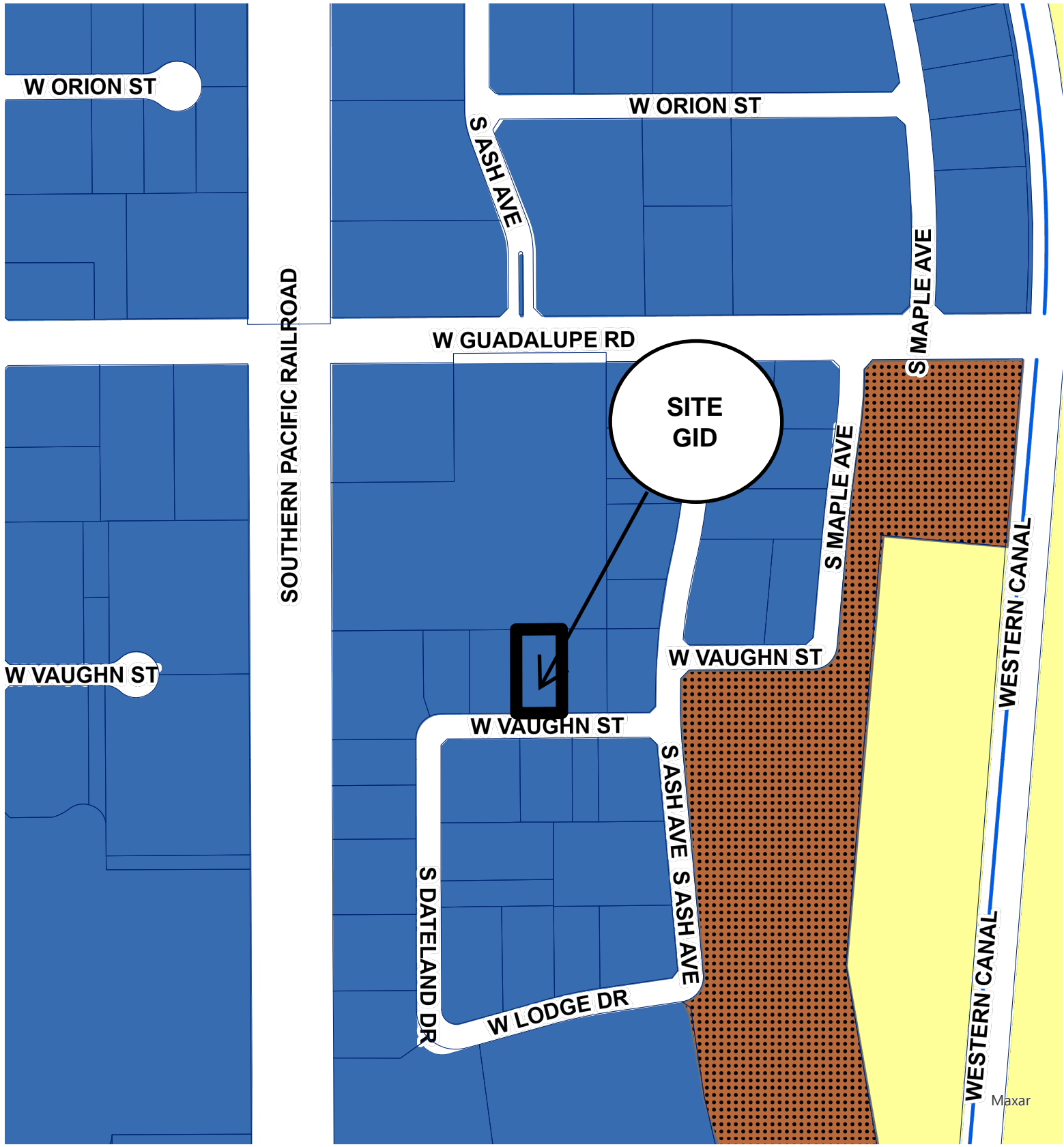
for

REVILO DISTILLERY
(PL230293)

ATTACHMENTS:

- 1-12. Site Context (Location Map, Aerial and Site Context Photos)
- 13-17. Applicant's Letter of Explanation
- 18. Site Design (Site Plan)

Revalo Distillery



- General Industrial District (GID)
- Agricultural (AG)
- Multi-Family Residential Limited (R-3)
- Parcels

- Twelve Point**
CenterlineSubType
- ADOT
 - Canal
 - Monument
 - Private

- Railroad
Street
<all other values>
- Zoning District**
- Light Industrial District (LID)
 - General Industrial District (GID)
 - Heavy Industrial District (HID)





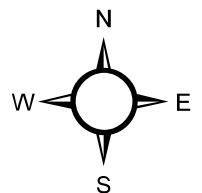
Tempe

PL230293

Revalo Distillery



Aerial Map



Maxar, Microsoft

226 W Vaughn St, Tempe AZ 85283

USE PERMIT APPLICATION
CONTEXT PHOTOS



226 W Vaughn St parking lot at 4:10pm



Vaughn St across from site at 4:12pm



226 W Vaughn St @ 4:15pm



226 W Vaughn St at 4:15pm



Vaughn St (looking west from Ash St intersection) 4:15pm



Ash St (looking towards north)



226 W Vaughn St



Parking lot between 234 and 238 W Vaughn st (Limited shared offstreet overflow parking)
4:17pm



View from 226 W Vaughn st (view toward south).

Letter of Explanation

Overview

Revilo Distillery LLC is requesting a Use permit from the city of Tempe for the property at 226 W Vaughn St Tempe AZ 85283 in parallel with a State of Arizona ARS Section 18 Craft Distiller Liquor License Application and Tempe craft distiller license to allow an on-premise tasting room, limited tours, and retail product and art sale.

Arizona State Section 18 Craft Distiller Liquor License is limited to 20,000 gallons production annually. Current annual production is less than 500 gallons (3000 bottles).

Prior to sales, Revilo has won several awards including two gold medals at the 2023 International Craft Spirits Competition and silver at the 2023 Proof Awards. Revilo has produced and has plans to manufacture and sell gin, vodka, rum, corn whisky, and aged bourbon.

Hours

11am – 1am by appointment. For the current and foreseeable future we expect all sales to be by appointment, limited to less than 30 people. We expect a majority of wholesale sales business to occur between 11am and 5pm consistent with area type and traffic.

Sales

Retail: Individuals age 21+ may purchase Revilo branded merchandise, Artwork, and bottles of Alcohol (limited to our stock available for sale in future 750ml, 325ml, and 50ml sizes).

Sampling limited to no more than 2oz per person per day. We may charge a fee for sampling.

Mixology classes: Limited attendance, prepaid ticket, featuring Revilo products. Art Evenings:

Limited attendance, featuring the artwork of a different local Tempe artist each month.

Wholesale: Individuals age 21+ representing restaurants, bars, hotels, liquor stores, US Bartenders Guild members, Craft Distillers, and alcohol distributors. Cases available for carry purchase but we would expect to deliver locally, or ship via UPS or freight carrier for most if not all wholesale orders.

Retail sales business is expected to occur between 5pm and 8pm after a time when businesses in the area have already closed (Businesses in the industrial park area operate 6am/7am – 3:30pm/4:00pm with all but one business closed after 5pm and closed weekends).

Traffic

We anticipate daily traffic to increase no more than 10 cars per day expanding to no more than 50 cars per day when at full production.

Parking

Required parking 26 spaces

Off-street parking 64 shared spaces under common parking agreement with two buildings to the west in the same development. No retail overnight parking.

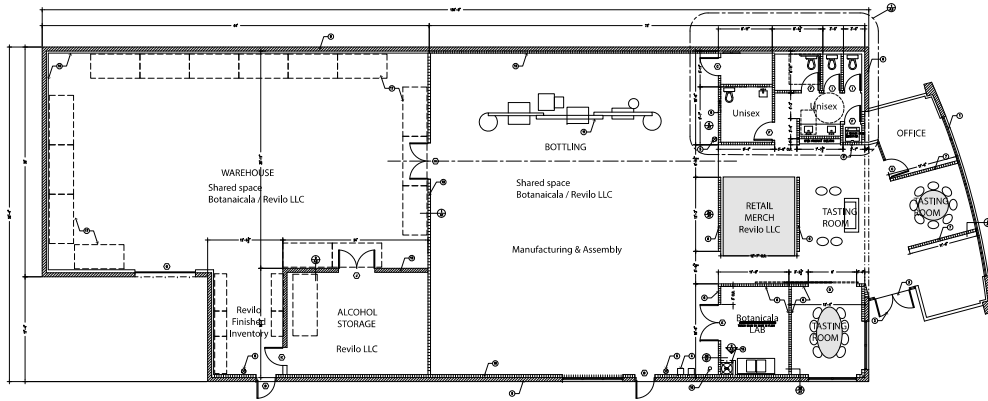
Street parking 3 spaces directly in front of building on Vaughn St.

Number of Employees 3

Analysis

- 1) Will there be any significant vehicular or pedestrian traffic in adjacent areas?
 - a) 0 to 50 additional cars per day. Average estimated to be 10 cars per day.
- 2) Will there be any nuisance arising from the emission of odor, dust, gas, noise, vibration, smoke, heat, or glare at a level exceeding that of ambient conditions?
 - a) No. There are no emissions of odor, dust, gas, noise, vibration, smoke, heat, or glare from the facility.
 - b) To avoid production smell, waste, and disposal, Revilo works with others in Minnesota, Wisconsin, Colorado, Kansas, or Texas to process dry and wet grains to fermentable grain sugars. Fermentable grain sugars may be delivered by tote via freight. Mixed with hydrated yeast, concentrated, distilled, and barreled using white oak barrels assembled in-house. Onsite pilot production operations and testing have been in effect in one capacity or another since 2016 with zero complaints.
- 3) Will there be a contribution to the deterioration of the neighborhood or to the downgrading of property values, which conflict with the goals, objectives, or policies of the city's adopted plans for General Plan?
 - a) No. The Tempe General Plan includes guidelines for land use, transportation, mass transit, economic development, historic preservation, neighborhood enhancement, public art, cultural amenities, human services, recreation, and open space.
 - b) The use permit will support redevelopment, neighborhood preservation & revitalization, growth in economic development, art, and become further recognized as an innovation leader in award winning craft distilling.
- 4) What is the compatibility with existing surrounding structures and uses?
 - a) Tempe Zoning and Development Code of the site is currently G1D. The permitted uses include:
 - i) Manufacturing – processing raw materials or parts into finished products.
 - ii) Assembly of finished products to meet the packaging needs of the customer.
 - iii) Wholesaling – Selling of goods or merchandise to retailers domestically and internationally for resale to the end consumer.
 - iv) Commercial – warehousing and storage of goods we manufacture within our building for finished product and intermediates used in future products.
 - b) With the proposed Tempe Use Permit, we seek with a Use Permit to add Retail use with future tasting room to promote our award winning vodka and corn whiskey.
 - i) Direct to consumer sales is required for company growth as retailers are decreasing their quantity and variety of inventory.

- ii) Distribution requires larger production volume than we can currently manufacture.
 - iii) Retail is a natural progression and extension of the consumer products we manufacture and assemble onsite. Proposed retail square footage is limited to less than 15% of the total building square footage
 - c) ZDC-Section 3-302 **Table 3-302A Permitted Land Uses (LID, GID, HID)** already permits retail for directly related industrial activities if the retail space is less than 15% of the total building square footage.
 - d) Further, we have acquired 67 original pieces of artwork from local artists. As distilling is itself an art, we hope to combine the sale of both and promote local artists with limited retail sales of art as a retail activity indirectly related to the industrial activities performed onsite with the requested use permit.
 - e) ZDC-Section 3-302 **Table 3-302A Permitted Land Uses (LID, GID, HID)** permits restaurant/specialty (e.g. tasting room (Series 18, craft distillery)) with the requested use permit.
 - f) Neighboring structures include AUS Injection – Auto parts store (wholesale and direct to consumer sales), Dog Days doggy daycare (consumer retail), McFarland Machine & Engineering (wholesale only), and Wellgenix supplement store (unknown mix of retail sales although they are a direct-to-consumer retailer), and Blank Canvas (branded goods reseller).
- 5) Is there adequate control of disruptive behavior both inside and outside the premises, which may create a nuisance to the surrounding area or general public?
- a) Retail use and a tasting room are limited by permit in the amount, time, and type of alcohol that may be served. Served indoors in a controlled environment.
 - b) Tempe Police Kwanis Park substation is 2 blocks from Revilo location.
 - c) We intentionally plan to limit the number of visitors and have begun working with Tempe Police to develop a security plan.
 - d) The proposed building was itself a Tempe Police station housing the Tempe Drug and Gang unit in the early 2000's. A testament to the building design, location, and structure.



Owner: Sashink LLC
 Project Address: 226 West Vaughn Street
 Assessor's Parcel Number: 30147-706
 Zoning: GID

PROJECT INFORMATION
 ZONING: I-1
 CONSTRUCTION TYPE: V-N, A.F.E.S.
 BUILDING AREA: 7,670 S.F.
 FLOOR AREA:

Building Code:
 2018 International Building Code w/ amends
 2018 International Energy Conservation Code
 2018 Inter. Mechanical Code w/ amends
 2018 Uniform Plumbing Code w/ amends
 2018 International Fire Code
 2017 Nat. Elec. Code/NFPA-70 w/ amends
 2010 ADA Standards for Accessible Design dated 9/15/2010 by USDOJ (ADA)
 Occupancy: B / F1 / S2 / H3
 Construction type: VB
 Use: Manufacturing / Office / Warehouse.

Tenant Square Footage	
Office	144
Retail	145
Tasting Room	1020
Manufacturing	3300
Warehouse	3036
Total Interior	7665

Occupancy Load	
Office	144 / 100 = 2
Retail	145 / 60 = 3
Tasting Room	1020 / 60 = 17
Manufacturing	3300 / 150 = 22
Warehouse	3036 / 300 = 11
Total	7665 / 300 = 60

Parking Requirements	
Office	144 / 300 = 1
Retail	145 / 300 = 1
Tasting Room	1020 / 75 = 14
Manufacturing	3300 / 1000 = 4
Warehouse	3036 / 500 = 6
Total	7665 / 500 = 26

Off-street Parking Provided: 16+48 = 64 w/shared parking agreement

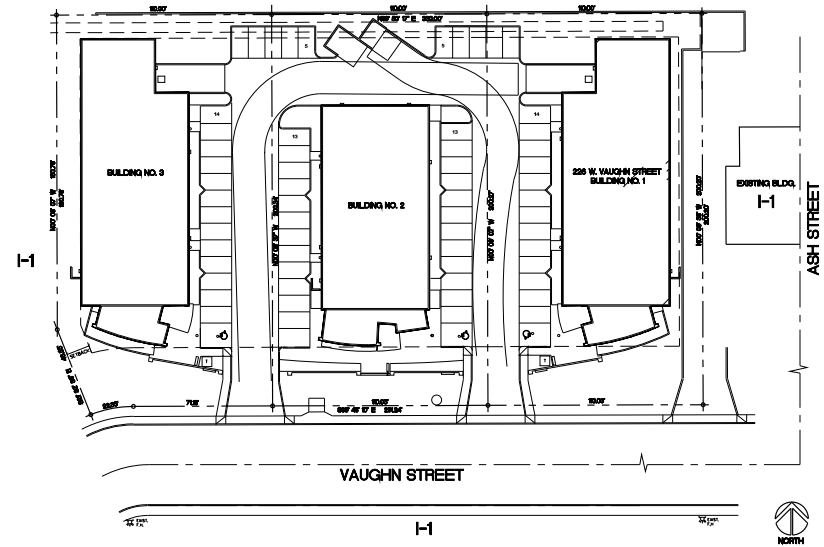
FIRE PROTECTION NOTE
 *FIRE SPRINKLER APPROVALS ARE NOT INCLUDED UNDER THIS PERMIT. BEFORE COMMENCING ANY WORK ON THE SPRINKLER SYSTEM, PLANS MUST BE SUBMITTED AND APPROVED BY THE FIRE DEPARTMENT. THE SYSTEM MUST BE INSPECTED AND APPROVED BY BUILDING SAFETY INSPECTION/FIRE PREVENTION PRIOR TO A "CERTIFICATE OF OCCUPANCY".

NOTICE OF ARCHITECTURAL BOARD DECISION: This project has been reviewed by the Board of Architectural Review and approved for construction. The Board's decision is based on the information provided and does not constitute a warranty of any kind. The Board's decision is subject to change without notice. For more information, please contact the City of Tempe, Arizona, at (480) 964-3333.

IECC

BUILDING ENVELOPE REQUIREMENTS		
WALLS - METAL FRAME	R-13+R-5 cl	
MASS	R-5.7 ¹	
ROOF - INSULATION ABOVE DECK	R-42	

BUILDING ENVELOPE ASSEMBLIES PROVIDED	TOTAL R VALUE PROVIDED
EXTERIOR WALL - MASS	R-9.31
EXTERIOR AIR FILM	R-1.17
6" THICK CONCRETE	R-1.1
1/2" AIR SPACE	R-1
BATT INSULATION	R-8
GYP. BOARD	R-0.06
INSIDE AIR FILM	R-0.68
EXTERIOR WALL - MASS (EXISTING)	R-1.95
EXTERIOR AIR FILM	R-1.17
8" THICK CMU	R-1.1
INSIDE AIR FILM	R-0.68
EXTERIOR FRAMED WALL (EXISTING)	R-21.48
INSIDE AIR FILM	R-0.68
GYP. BOARD	R-0.06
BATT INSULATION	R-19
GYP. BOARD	R-0.06
INSIDE AIR FILM	R-0.68
ROOF	R-63.07
EXTERIOR AIR FILM	R-1.17
6" FOAM ROOF	R-42.6
1/2" PLYWOOD	R-0.62
BATT INSULATION	R-19
INSIDE AIR FILM	R-0.68

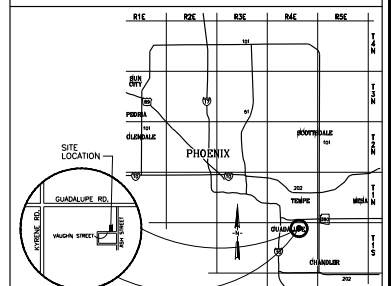


SITE PLAN

SCALE: 1"=30'-0"

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VICINITY MAP

Sheet Title: **SITE PLAN**

PROJECT: **226 W. VAUGHN STREET TEMPE, ARIZONA 85283**

date: _____
 job no.: _____
 revision: _____