

**Minutes of Special Regular AARC Meeting
Via ZOOM
March 10, 2021**

Present

Members: Lori Garkovich, Skip Phillips, Floyd Raglin
Staff: Pattie Wilson, Planning Director

Representatives of the Applicant

Donna Willis, Woodford Reserve Plant Director; Steve Ruschell, Attorney; Mike Beach, Project Manager with Brown Forman Corp; and, John Soper on behalf of Mike Freeny, land owner.

Chair, Skip Phillips called the meeting to order at 8:30.

Approval of Minutes of February 10, 2021 AARC meeting

Motion to approve the minutes as submitted made by Lori Garkovich, 2nd by Floyd Raglin, with all voting in favor.

New Business

Application #003-003-2021. Brown-Forman Corporation dba Woodford Reserve at 1220 Georgetown Rd., Firegate 13B, Midway – A-1 and CO-1 Districts. Applicant is seeking to construct 10 additional bourbon warehouses adjacent to their existing warehouses to complement the Applicant's Woodford Reserve Distillery plant, as an agricultural enterprise, to meet worldwide demand for Applicant's brand.

Chair Skip Phillips called on Mr. Ruschell to summarize their application for the record. Then he asked Donna Willis to go over the ad valorem taxes.

Overview

Applicant seeks to expand their existing adjacent Bourbon storage warehouse facility granted by the Board of Adjustment under prior approval 004-006-2016. As set forth in the 2016 application, the need to expand the bourbon storage warehouse and transfer facility is to compliment the Applicant's Woodford Reserve distillery plant to allow production and storage of more bourbon to meet worldwide demand for Applicant's brand. Brown-Forman has been the owner/operator of the Woodford Reserve Distillery on McCracken Pike since 1994. Brown-Forman has carefully rehabilitated and restored the site to National Historic Landmark status and has profitably operated and grown the distillery and its brand.

To preserve and expand its production, the Applicant must have additional bourbon maturation warehouses, which are best located in Woodford County and, in this instance, near I-64.

The expanded project will include the construction of 10 new warehouses, typically built two at a time and with final build out to occur over a 10-15 years.

Woodford County receives a portion of the ad valorem tax that increases with each year in storage. The 10 new warehouses proposed in this application will store approximately 600,000 barrels when completed. The warehouses on the current property stores approximately 500,000 barrels.

Site Visit Observations

On March 3, 2021 the members of the AARC (Lori Garkovich, Skip Phillips, Floyd Raglin) as well as Pattie Wilson (Planning Director) and Joshua Stevens (Building Inspector) completed a site visit. Donna Willis, Plant Director and Steve Ruschell, Attorney were present. In addition, Amy Perry, the owner of the adjacent farm to the north participated in the site visit.

The site visit focused first on the characteristics of the 2016 bourbon warehouse facility (on 113 acres) because the bourbon warehouses in this application will be designed exactly as the existing facility and add 10 additional warehouses through interconnected roads.

The original facility was located in a primarily agricultural area, but since then, the Midway Industrial Park has filled out and there are now two 10,000+ sq ft warehouses are adjacent to the Applicant's warehouses.

The current site approved in 2016 has an extended entrance road from Georgetown Rd with a security gate that leads into the facility. This single entrance will continue to serve as the primary entrance and exit for all trucks entering and leaving the current and proposed facilities.

At this time, the current facility has a transfer building that will also serve the warehouses proposed in this 2021 application, as well as nine warehouses. Each warehouse stores 65,000 barrels for a period of 5-7 years. In other words, once placed in the warehouses, the filled barrels are not moved until ready for final processing and packaging.

The current facility will be building out five additional warehouses on this site by 2024, for a total of 9 warehouses on the current site. Because of the amount of geological and other types of site analyses and preparation that must be done prior to construction, the applicant is seeking approval now in order to begin construction on the land associated with this application around 2024.

The current site clusters the warehouses to facilitate access to them and to enhance risk mitigation efforts. All activities involved in the storage and transfer of bourbon are subject

to a containment safety plan to insure that no bourbon or its byproduct can ever enter South Elkhorn Creek. Each warehouse has a retention wall to contain any accidental spillage. After initial containment, this liquid would be channeled to a retention pond with a 3 million gallon capacity and then removed for proper off-site disposal. This same system of warehouse construction, retention wall and 3 million gallon capacity retention pond will occur on the property for this application.

The storm water management plan for this application provides a separate storm water basin for each warehouse with outlets connected in a series to provide for a single outfall (retention pond) to the bordering creek. These individual basins will be sized so that the storm runoff from each warehouse block will be limited to the pre-development flows.

The property in this application is adjacent to a working crop/hay farm whose owner participated in the site visit. The actual warehouses are considerably distant from their agricultural operations and appropriate landscaping exists or will be installed to minimize visual impact.

The actual footprint of the current warehouses and transfer facility is relatively limited and so Brown-Forman leases the remaining pastureland to a local farmer who runs his cattle on the property. It is the intention of the applicant to continue leasing remaining pastureland to local farmers on the acreage in this application. Moreover, the Applicant currently purchases and uses in excess of 100,000 bushels of corn produced in Woodford and surrounding counties. The corn used in bourbon distilling must be raised, harvested and stores to meet special, highly stringent specifications. The expansion of storage capacity represented by this application will allow additional production of bourbon at the distillery, necessitating purchase of additional corn. Applicant is hoping to find additional farmers in Woodford County willing to go through the certification and inspection process to raise the specialty corn required in their distilling process.

Other important notes from the site visit:

- Neither the existing facility nor the proposed expansion permits tours or general visitors. All Woodford Reserve tours and agri-tourism activities occur at the Woodford Reserve Distillery on McCracken Pike.
- Access to the existing facility and the proposed expansion must go through a single entrance/exit that has 24/7 security.
- Other than trucks entering the facility on the only entrance road, there will be limited noise associated with the operation of the expansion.
- Lighting on the current warehouses is downward box lighting as will be the lighting on the new warehouses. The neighbor who attended the site visit did not indicate any issues associated with light trespass.
- The additional warehouses associated with this application will have an exterior appearance identical to those already on the existing property and will have limited

visibility from 1-64 and Georgetown Rd due to the topographical character of the property.

Discussion

AARC member Decision Tree scores were as follows:

645 Lori Garkovich
695 Skip Phillips
685 Floyd Raglin

During the site visit, the AARC members noted the approved development of the Bluegrass Experience RV Resort across Georgetown Rd. and noted that this combined with the likelihood of a donation of land upstream on South Elkhorn Creek to Midway will probably increase the amount of canoe and kayak traffic on the creek which shares an extensive border with the Applicant's property. It was suggested that the Applicant should consider increasing the No Trespassing signage on their perimeter fences along South Elkhorn Creek.

The ad valorem tax on the bourbon in the stored barrels averages \$2 barrel/yr. On the current site, which will be fully stocked in 2025 with @ 500,000 barrels in storage, this would yield between \$4-\$6 million in taxes cumulative over a 5-10 year period and 89% goes to Woodford County. Over the 10-year period of the new site, with 650,000 barrels in storage, this would yield 89% of between \$5-\$7 million in taxes to Woodford County.

Everything stored in these warehouses is now being bottled at the Woodford Reserve facility, but may have to be expanded to another.

Recommendation

A motion was made by Lori Garkovich and seconded by Floyd Raglin based on the above record that the AARC recommend to the Board of Adjustment, conditional use approval of Application #003-003-2021 by Brown-Forman Corporation dba Woodford Reserve for property at 1220 Georgetown Rd., Firegate 13B, Midway, A-1/CO-1 District, with the following eleven conditions and one suggestion:

- Use only down box lighting which will not illuminate from the applicant's property.
- Use directional signage only and include "No Visitors" language on all signage.
- Limit truck traffic to 7AM – 7PM Monday through Friday as well as construction traffic will be limited to 6AM – 7PM seven days a week.

- All outdoor activities will be at least 300 feet from any adjoining property lines, including that of the farmer leasing the remainder of the property.
- Maintain existing landscaping and to plant new landscaping based on development plan.
- Maintain all improvements to ensure compliance with all local, state and federal regulations applicable to bourbon storage facilities.
- Not to use reflective roofs on the rick houses.
- Develop the property in conformance with its Final Development Plan and Site Construction plans.
- To construct on-site containment facility to prevent contamination of South Elkhorn Creek including underground spillage control and a retention pond with a 3 million gallon capacity.
- To construct and maintain individual storm water management basins at strategic locations to address storm water runoff so that it does not exceed what it is currently in agricultural use.
- To ship barrels to and from the McCracken distillery using New Cut Road, I-64 and US 60.

The AARC also urged the Applicant to increase the “No Trespassing” signage on the perimeter fencing along South Elkhorn Creek given the likelihood of increased recreational users on the creek in the future.

Motion was unanimously approved 3 – 0.

Motion to adjourn the meeting was made by Floyd Raglin with a second by Lori Garkovich, all approved.