

**JUSTIFICATION STATEMENT OF ZONING APPLICATION'S  
COMPLIANCE WITH PLAN 2040**

**RABBIT HOLE SPIRITS, LLC  
218 S. SHELBY STREET  
223 & 225 S. CLAY STREET  
707, 711, 727, 733 & 747 E. JEFFERSON STREET  
PROPOSED ZONE CHANGE FROM EZ-1 & C-2 TO EZ-1**

**THE PROPOSAL**

The Applicant, Rabbit Hole Spirits, LLC, submits its application to rezone property located at 218 S. Shelby Street, 223 & 225 S. Clay Street and 707, 711, 727, 733 & 747 E. Jefferson Street, Louisville, KY 40202 (the "Property"), from the existing mix of EZ-1, Enterprise Zone (711 E. Jefferson Street) and C-2, Commercial (all other aforementioned lots) to all EZ-1 zoning to permit the expansion of the existing Rabbit Hole Distillery necessary to support the streamlining of existing distillery operations, the safe relocation of the truck delivery area, create space for accessory supportive uses to the distillery including: offices, hospitality areas, bourbon tasting and barrel selection rooms, a bourbon library, an outdoor plaza, and an innovation and quality control lab for research and development of existing and new spirits. In 2016, via Ordinance No. 83, Series 2016 (Case No. 15ZONE1052), Louisville Metro approved the rezoning of 711 E. Jefferson Street from C-2 to EZ-1 to permit the construction and operation of the Rabbit Hole Distillery (sometimes referred to herein as "Distillery"). Today, the Applicant desires to expand the existing Distillery facility with approximately 78,000 square feet of new space attributed to the following areas – 31,499 sq. ft. for the brand home expansion; 19,476 sq. ft. of office space; 4,630 sq. ft. of single barrel selection room space; and 22,395 square feet of proposed area devoted to logistics operations (taken together, the expansion improvements on the Property will be referred to herein as the "Proposal"). A Detailed District Development Plan/General Development Plan, as drafted by Land Design & Development and submitted with the Applicant's formal zoning application, depicts the Proposal on the Property and sets forth associated project data for Louisville Metro's review and comment (the "Plan").

With the Proposal, the existing structures located on 707 and 727 E. Jefferson Street, along with the old police precinct building on 218 S. Shelby Street, will be preserved and blended with new construction into the overall site design. Ultimately, the Applicant's aim is for the Property to become Pernod Ricard's brand home for American Whiskey – an opportunity to create a truly transformative development with a global brand partner for the Phoenix Hill/NuLu neighborhoods, for bourbonism in downtown, and for all of greater Louisville Metro. Pernod Ricard is the world's second largest wine and spirits seller, and the potential not just for locating a permanent footprint for Pernod Ricard in Louisville but the opportunity for the Property to become the brand home for Pernod Ricard's American Whiskey is an exciting prospect that would pay myriad dividends to Louisville, Kentucky. The Proposal combines the adaptive reuse of existing structures on the Property with new construction for a design that compatibly fits within the character

of the Phoenix Hill/NuLu neighborhood. The Proposal and its design adds to the area's authenticity and overall aesthetics, improves surrounding streetscapes, improves Distillery operations and lessens the potential for disruptions from the Distillery to neighboring properties, brings new quality jobs to town, and creates another destination point that would draw visitors from all over the world to Louisville.

With its Proposal, and as part of its efforts to streamline operations at the Distillery, the Applicant intends to relocate its barreling activities offsite in another county of Kentucky, thereby reducing daily truck traffic to and from the Property and truncating the window of time during the 24-hour day when trucks conduct deliveries. No increase in distilling capacity is being proposed with this Proposal. The relocation of the truck delivery area to the western portion of the Property removes truck maneuvering from its current location within the E. Jefferson Street right-of-way, which is certainly to become more difficult in the near future when E. Jefferson Street transitions from one-way traffic heading west into two-way traffic, and provide a safer pedestrian environment along the E. Jefferson Street sidewalk for pedestrians to traverse the Property. Given the accessibility of multi-modal transportation to/from the Property, and within the surrounding area, there are various ways for people, whether Distillery visitors, employees or pedestrians walking around the neighborhood, to travel between the Rabbit Hole Distillery and other destinations. If approved, the Proposal would be a tremendous addition to the mix of uses within the Phoenix Hill/NuLu neighborhood, anchoring the north side of E. Jefferson Street with a sustainable development that would house a globally-recognized brand, creating new jobs that would not otherwise be in Louisville, and attracting thousands of new visitors annually to Louisville and Phoenix Hill/NuLu.

#### **THE PROPOSAL'S AGREEMENT WITH PLAN 2040 LOUISVILLE METRO'S COMPREHENSIVE PLAN**

Rabbit Hole Spirits, LLC's application to rezone its Property from the existing C-2, Commercial to the EZ-1, Enterprise Zone designation is in agreement with Plan 2040, A Comprehensive Plan for Louisville Metro, as justified in detail below, and therefore EZ-1 zoning is an appropriate designation for the Property and should be approved.

#### **Plan Element 1 - Community Form**

The Proposal conforms to Community Form Plan Element 1 and all applicable Policies adopted thereunder. The Community Form Plan Element guides the shape, scale and character of development in ways intended to promote a connected, healthy, authentic, sustainable and equitable built environment. Community Form encourages redevelopment while promoting land use flexibility. Community Form recommends historic preservation of buildings and promotes the arts and creativity to enhance the quality of life and a sense of place. Additionally, Community Form encourages sustainable growth and density around mixed-use centers and corridors. As described in detail herein, the Applicant's Proposal advances these stated goals of the Community Form because the Proposal involves combining new construction with the rehabilitation and adaptive re-use of existing structures on the Property, transforming the Property from its current

bourbon distillery use into a larger mixed-use site that will operate as a brand home for American Whiskey for a global company, and include more spaces devoted to secondary, supportive uses of the Distillery including space for: logistics, offices, hospitality, a bourbon library, an innovation lab, and rooms where groups can meet to undertake single barrel selections. The Proposal involves Property that fronts a major urban corridor that serves as a gateway in and out of downtown Louisville and supports the movement of people to and from a larger mixed-use activity center known as Phoenix Hill/NULU, which is continually welcoming new investments to properties that bring land uses of all types to the area and, as a result, becomes increasingly more popular by the year.

The Proposal complies with Community Form Goal 1, Policy 3.1.2 because the Property lies within the Traditional Neighborhood Form District. The Traditional Neighborhood Form District is characterized by predominantly residential uses, and by a grid pattern of streets with sidewalks and often including alleys. The higher density uses are encouraged to be located in centers or near parks and open spaces having sufficient carrying capacity as well as appropriately located and integrated neighborhood centers with a mixture of mostly neighborhood-serving land uses such as offices, shops, restaurants and services. Revitalization and reinforcement of the Traditional Neighborhood Form will require particular emphasis on (a) preservation and renovation of existing buildings in stable neighborhoods, (b) in the case of new developments or *redevelopments* using traditional building scales and site layouts, (c) the preservation of the existing grid pattern of streets and (d) preservation of or creation of new public open space – to all which this Proposal adheres. The Property is also located adjacent to properties that are within two other but different form districts – the Downtown Form District (to the west and south) and the Traditional Marketplace Corridor (to the north).

The Proposal aims to reinforce and revitalize the Property and strengthen the applicable Traditional Neighborhood Form by expanding an existing popular distillery use into a larger mixed-use destination that will continue the established neighborhood pattern of integrated development through a site design that blends components of the a) adaptable reuse of existing buildings onsite, and b) new construction, that, when combined, will be compatible with the scale and site design of nearby existing developments. The Proposal promotes quality site design and building materials to enhance compatibility with surrounding properties and the Applicant will undergo additional building and site design reviews with the NULU Review Overlay District Committee, considering the property is located within the NULU Review Overlay District. The proposed site and building design will hold the corners at E. Jefferson and S. Clay Streets (where a surface parking lot exists today) and E. Jefferson and S. Shelby Streets, as well as the corner of S. Clay Street and Nanny Goat Strut alley, where another surface parking lot currently sits. Historically, the Property has been used commercially and industrially, along with some religious uses and, at one time, a single-family residential use fronting S. Clay Street. Re:Center Ministries, which provides supportive services to the unhoused population, is currently located on the Property. The Applicant has worked closely with Re:Center Ministries to identify an optimal location for Re:Center Ministries to move and maintain and sustainably grow its supportive services to a greater level than

what can be offered at its current location and at another downtown location where convenient access thereto for the people who need them is preserved.

The Property fronts E. Jefferson Street, a minor arterial roadway, and is served by multi-modal transportation options, including a transit route with multiple stops along E. Jefferson Street, not to mention additional transit routes along E. Main and E. Market Streets to the north of the Property, and along E. Liberty Street and E. Muhammad Ali BLVD to the south of the Property. Although overall number of visitors and employees to the Property will increase, considering the location of the Property is in a walkable area and that it is supported by multi-modal transportation options, any increase in traffic will be easily accommodated by the existing capacity provided by the surrounding grid network of public streets and sidewalks, as well as by bicycle and transit, all of which combine to accommodate the movement of people in the surrounding urban setting. Not to mention that the Proposal will be replacing other office and commercial uses operating on the Property today that drive traffic numbers to the Property today.

Mitigation of current truck delivery activity on the Property is proposed via the construction of a truck corral on the western portion of the Property, which will allow delivery trucks to turn off of E. Jefferson Street and enter the Property versus the current truck delivery operations, which has trucks delivering to the Distillery directly from E. Jefferson Street, occasionally conflicting with vehicles traveling E. Jefferson Street and with pedestrians traversing the sidewalk along the north side of E. Jefferson Street while the delivery trucks are positioning into place at the existing bay door location fronting E. Jefferson Street. The entrance to the truck delivery area will be near the location on E. Jefferson Street where an existing curb cut into a surface parking lot exists today. The exit from the truck corral is proposed on S. Clay Street where trucks will only leave the site (no entering of trucks from S. Clay Street); the proposed exit area is currently occupied by another surface parking lot area on the Property. The proposed truck corral will bring a street wall nearer to the E. Jefferson Street and S. Clay Street setback lines, bringing the site more into compliance with applicable Traditional Neighborhood Form District site design requirements; the truck corral will hold the corner at E. Jefferson Street and S. Clay Street, where a surface parking lot exists today. The new truck delivery area will be constructed to attenuate sound with street walls that will also screen views of the delivery trucks from E. Jefferson Street, S. Clay Street and Nanny Goat Strut alley. The Applicant will activate the screen with art, street trees and plantings, and building materials to invite street-level appeal to the block; the roof to the truck corral will be a green roof, which will add pervious surface area on a site that is almost entirely pavement or improved by buildings, thereby assisting with cooling the heat island effect as well as helping with management of stormwater drainage on the Property. Also, the Proposal will allow the Applicant to better streamline its operations and move certain operations offsite that will reduce overall truck delivery traffic to/from the Property. Any onsite hazardous materials will be stored pursuant to all applicable regulations and protocols. No long-term aging of bourbon will occur on the Property. All of these measures the Applicant intends to undertake is to mitigate any negative effects of the Distillery's operation to neighboring properties, notably the residential developments to the south and west of the Property.

Goal 2 of the Community Form encourages sustainable growth and density around mixed-use centers and corridors, while Goal 4 promotes the preservation of historic resources that contribute to Louisville Metro's authenticity. The Applicant's Proposal harmonizes with these two Community Form goals because, as mentioned and as seen on the accompanying Plan, the Applicant intends to create a mixed-use destination through the use of existing buildings and new construction that, together, can anchor the southern edge of the NULU activity center, along a major east-west corridor in E. Jefferson Street, whereon a variety of land uses operate. Appropriate access and connectivity exist to serve the Property and the surrounding activity center, which is more than adequately populated with residents, employees, and daily visitors to support the commercial components of the Proposal. If approved, the Proposal, when constructed, will create a unique and authentic building design that will positively add to the E. Jefferson Street, S. Clay Street, S. Shelby Street, and Nanny Goat Strut streetscapes, hold the corners of the half block that envelopes the Property, strengthening the design of the Property so that it is more in keeping with the Traditional Neighborhood Form, notably removing surface parking areas from between front building facades and the public rights-of-way to which those facades relate.

E. Jefferson Street is an east-west mixed-use, urban corridor that stretches from the Shawnee neighborhood in the west of the city to Phoenix Hill in the east, linking various neighborhoods together, residential and work centers, various activity centers, and threading through a number of different form districts. In the more immediate area surrounding the Property, E Jefferson Street links up with Baxter Avenue to the east and connects a Campus form district at the Home of the Innocents property with the Traditional Neighborhood Form enveloping the Property with the Downtown Form across E. Jefferson Street from the Property, which said Downtown Form continues westward toward the downtown core of Louisville Metro. Along this stretch of E. Jefferson Street is a mixed-use corridor that connects various land use together and provides access for residents and employees of businesses. From the Property, eastward along the entirety of the northern side of E. Jefferson Street to the Home of the Innocents Campus Form District, and including some properties fronting the southern side of E. Jefferson Street, are properties zoned EZ-1. The EZ-1 zoning district permits a variety of commercial and industrial uses including supportive uses such as offices, and residential uses. The Applicant is requesting to utilize only the distillery use and any uses supportive to the distillery use from the EZ-1 zoning district's list of permitted industrial uses. To ensure the Applicant is accessing only limited uses from the list of permitted industrial uses withing EZ-1 zoning district, the Applicant is agreeable to restrict, via attachment of binding elements to the Plan, future industrial land uses from operating on the Property, unless the establishment of those uses on the Property are subsequently approved via applicable Louisville Metro development review processes. The Proposal provides appropriate access for visitors, guests, employers and employees coming/going to/from the Property and the Proposal includes land uses that will contribute to sustainable growth to the NULU activity center and to the E. Jefferson Street corridor and beyond.

The Applicant will incorporate planted material onsite and street trees along sidewalks, so long as they don't interfere with utility infrastructure, to soften the

hardscapes on the Property and help blend the built and natural environments in the urban traditional neighborhood. Plaza space toward the middle of the site will be outfitted with additional landscape plantings and green roof technology will be incorporated into the overall building design. No flood prone areas or wet or highly permeable soils, or severe, steep or unstable slopes exist on the Property to avoid. No greenways are located contiguous to the Property by which a connection can be made to extend it. Although no open space is required for the Proposal, the Applicant will incorporate landscaped plaza space central to the site for visitors and employees to enjoy. Hence, the Proposal protects existing natural resources and proposes integration of additional plantings and landscaping into the site. Consequently, the Proposal complies with Community Form's Goal 3 and its applicable policies.

And although Goal 5 of Community Form sets forth only programmatic policies, the Proposal intends to further integrate art and cultivate creativity. The Applicant intends to incorporate art in its site design, perhaps most noticeably along its S. Clay Street façade, where artistic murals will activate the wall façade to bring appeal to the urban streetscape. Not only does this integrate art into the built environment in view from the streetscape, but it also adds to the authenticity of the Property and greater Phoenix Hill/NULU neighborhood. Thus, the Proposal certainly promotes the spirit of Goal 5.

### **Plan Element - 2 Mobility**

Goal 1 of Plan 2040's Mobility Plan Element is to implement an accessible system of alternative transportation models. Goal 2 of the Mobility Plan Element is to plan, build and maintain a safe, accessible and efficient transportation system, while Goal 3 encourages land use and transportation patterns that connect Louisville Metro and support future growth. The Applicant's Proposal complies with Plan 2040's Mobility Plan Element and furthers its three goals because it encourages the utilization of the existing multi-modal transportation systems currently serving the Phoenix Hill/NULU neighborhood, including access to TARC routes along E. Jefferson Street and nearby E. Main and E. Market Streets to the north and E. Liberty Street and E. Muhammad Ali Boulevard to the south. A well-established grid of public streets and pedestrian connections in the area have the sufficient capacity to safely move vehicles and people around the neighborhood. Bike lane infrastructure is available along both E. Main and E. Market Streets (east-west) and a neighborway bikeway is situated along S. Hancock Street (north-south); the Applicant will furnish bicycle parking onsite to encourage the use of bicycle transportation. The Proposal on the Property will strengthen walkability in the immediate area of the applicable Traditional Neighborhood Form, where pedestrian connections have long been in place, because the Applicant intends to relocate its existing truck loading area, which today is on the front façade of the Rabbit Hole distillery and requires trucks to navigate E. Jefferson Street, often in reverse, in a fashion that has trucks perpendicular to the oncoming traffic of the one-way E. Jefferson Street. When E. Jefferson Street transitions to two-way traffic, this traffic maneuver becomes more difficult and increases the chances for conflicting vehicular movements. Relocating the truck delivery area to the western portion of the block will eliminate these difficult vehicular maneuvers to access the current loading facility as well as clear the sidewalk aligning the

northern side of E. Jefferson Street from trucks parked over the sidewalks during deliveries. The Applicant will work with Metro Public Works, Transportation Planning and TARC to develop contextual streetscape design solutions to afford pedestrians safe maneuverability from the Rabbit Hole Distillery to transit stops, onsite and offsite parking, and for the placement of ideal access point locations to minimize vehicular and pedestrian conflicts. The Applicant will further work with applicable Metro agencies to ensure the necessary improvements occur in accordance with long-range transportation plans, if applicable.

The Property is located in an existing activity center that continues to reinvest, redevelop and grow. With its Proposal, the Applicant intends to expand the holistic experience of the Rabbit Hole Distillery so that visitors can tour the facility and learn the various components contributing to the overall process of distillation as it operates. E. Jefferson Street, a minor arterial roadway, is the primary entrance to the Rabbit Hole Facility. E. Jefferson Street serves a number of properties and land uses, including various EZ-1 properties in the area. Therefore, access to the Property will occur through areas of similar intensities and densities as what's being proposed on the Property. Additional curb cuts will allow access to the Property from Nanny Goad Strut alleyway, including pedestrians, and S. Shelby Street, where access to a surface parking area between buildings is proposed.

The Proposal is supported by mobility infrastructure that connects to surrounding areas and the redevelopment of the Property will support the future sustainable growth to the Phoenix Hill/NULU areas. Indeed, Proposal will create space onsite for supportive retail, office and hospitality uses and the jobs that come with those uses; and, in that regard, the Proposal will operate as a mixed-use site easily accessible by bicycle, car, transit, walking and to people with disabilities. Once completed, the Proposal will be surrounded by pedestrian connections aligning E. Jefferson Street, S. Clay Street, S. Shelby Street and a portion of the Nanny Goat Strut alleyway, all of which provide connectivity for pedestrians between the Distillery and surrounding properties and land uses. The Applicant retains property located at 724 E. Market Street, which will provide a great connection between Rabbit Hole and Market Street, linking the activity center firmly established along the Market Street marketplace corridor with E. Jefferson Street, an area experiencing new growth and where residential uses are located. Moreover, the network of pedestrian connections will help minimize travel times between the Distillery and the public roadway, bicycle parking, transit stops and other nearby destinations within the Phoenix Hill/NULU neighborhood. The proximity of the Proposal to nearby housing and hotel uses allows walkability for employees working onsite and visitors to the site to easily maneuver between areas without the use of a car, which, in turn, will benefit various land uses between these destination points where folks can stop to gain goods and services, supporting the businesses in the area. Should Rabbit Hole relocate at some point in the future, the proposed EZ-1 zoning (mainly the C-2, Commercial uses listed therein) would allow for a mix of neighborhood-serving uses that facilitate housing and transportation options.

With the Proposal, the Applicant will remove onsite surface parking along S. Clay Street and will replace those parking spaces, plus add more, by developing a parking area on the eastern portion of the Property, where thirty-six (36) parking spaces, including parking for those with physical disadvantages, will be established with access to both S. Shelby Street and Nanny Goat Strut. This surface parking area will be screened from E. Jefferson Street by building improvements and partially screen from Nanny Goat Strut and S. Shelby Street by buildings. Access to the Distillery from this parking area will be from the rear of the Distillery building. On-street parking will be available along S. Clay, S. Shelby and E. Jefferson Streets. If approved, the various properties that comprise the Property will be consolidated, thereby eliminating the need for any cross-access easements.

For the foregoing reasons, the Proposal complies with the Mobility Plan Element of Plan 2040, including its Goals 1, 2 and 3 and their applicable Policies. The Proposal is properly supported by a safe, accessible and efficient transportation network that connects areas of residential, commercial, workplace, and recreation thru various modes of transportation, and an established grid network of streets and sidewalks exists in the immediate area, as well as easy access to transit and bicycle infrastructure.

### **Plan Element 3 – Community Facilities**

Plan 2040's Community Facilities Plan Element provides guidance and recommendations for the proper integration of necessary community resources across Louisville Metro to plan and maintain accessible facilities that will improve the quality of life for existing and future residents and visitors of Louisville Metro. The Proposal complies with Plan 2040's Community Facilities Plan Element, and all applicable Goals, Objectives and Policies thereunder, because the Property is within the urban service district, and is served by existing infrastructure and all necessary utilities, including water, sewer, electricity, telephone, and internet. To the extent possible, if new utilities hookups are necessary, those new utilities will be located within common easements and trenches, as required by each utility. The Proposal will also have an adequate supply of potable water and water for fire-fighting purposes and is served by District 2 of the Louisville Fire Department, conveniently located at 235 E. Jefferson Street, Louisville, KY 40202, just a few blocks to the west from the Property. The Louisville Metro Police Department's First Division serves the Property, and has an office located at the corner of E. Jefferson Street and S 2<sup>nd</sup> Street.

### **Plan Element 4 – Economic Development**

The intent of Plan Element 4 of Plan 2040 is to provide a positive, healthy economic climate for citizens of Louisville Metro in a way that cultivates a vibrant city to attract and retain a highly-skilled workforce. The Applicant's Proposal advances Plan 2040's Economic Development Plan Element and its applicable policies because the Proposal looks to redevelop and reuse property that has long been used commercially/industrially and made up of various separate property owners and users into one mixed-use destination that will bring new quality jobs to the Phoenix Hill/NULU neighborhood that



otherwise wouldn't be locating in Louisville Metro and to a Property that is located in a walkable area and is well served and by multi-modal transportation options and by existing utilities. The Property, situated on the northern side of E. Jefferson Street, a minor arterial roadway that provides an entryway into the downtown core of Louisville Metro, and located along the southern edge of the popular NULU activity center. Here, the Proposal promotes the Goals and Objectives of Plan 2040's Economic Development Plan Element because the Property is appropriately positioned along an active, walkable mixed-use corridor and within an area comprised of a variety of land uses, including commercial, office, residential, hospitality, and religious uses, to which the Proposal positively adds. Collectively, these uses provide the components to sustaining a popular activity center known as NULU, where visitors, employees and residents can work, live, shop, dine, and enjoy spending time with friends and family in an area accessibly by multi-modal transportation options. The Proposal will boost the draw of visitors to a Property that already is a popular destination in NULU, and will bring new job positions that will attract employees to work within the NULU neighborhood, where said employees can frequent other locations within the surrounding area to obtain goods and services. And considering the Proposal is desired to become a brand home for Pernod Ricard's American Whiskey products, the economic benefit impacts the Proposal can generate in and around Louisville are great. The Applicant will add green infrastructure to the site design and streetscape design, including street trees and landscape plantings to soften the hardscapes, as well as green roof technologies atop the truck corral to help cool down the urban heat island effect around the Property. In short, the Applicant's Proposal can provide a real economic development engine for the southern edge of NULU by repurposing and reusing buildings on the Property together with new construction that, together, will be home to a global business that will attract visitors and workers to the NULU area, where access to necessary infrastructure is already in place and at a location that is accessible by various modes of transportation. Therefore, the Proposal is in agreement with the Economic Development Plan Element of Plan 2040.

### **Plan Element 5 – Livability**

The Livability Plan Element of Plan 2040 provides guidance and direction for the provision and maintenance of resources necessary for the health and well-being of citizens, including a focus on designing places for sustainability, ensuring equitable health and safety outcomes for all and integrating the natural environment with the built environment while development occurs. Applicant's Proposal is consistent with the applicable Goals, Objectives and Policies of Plan 2040's Livability Plan Element, primarily those set forth under Goal 1 of the Plan Element, because the redevelopment of the Property protects the natural environment and integrates it with the built environment, incorporates features within the proposed site improvements that support sustainability, and the fact that the Proposal is a mixed-use development that will incorporate a primary use and various accessory uses on the Property that support one another and support other property uses within the Phoenix Hill/NULU neighborhood. Today, the Property is comprised of various building improvements surrounded by impervious pavements; very little, if any, pervious surface areas exist onsite and very few tree plantings can be found on the Property. With redevelopment of the site, the Applicant will install a variety of

plantings and utilize available spaces throughout the site where impervious areas can be minimized, including street trees (if unobstructed by utility locations), landscaping plantings, plantings around a new plaza centrally located on the Property, and on rooftop areas where green roof infrastructure can be installed and maintained, such as the roof to the truck corral on the western portion of the Property. Installation of greenscape and plantings on the site will aid in lessening the heat island effect in the immediate area and soften the view of the streetscapes surrounding the Property. There are no streambanks, bodies of water, or watershed areas onsite or nearby enough where stabilization and/or protection of that water feature would be required in response to the site's redevelopment.

The Proposal will utilize connections to existing MSD sewer facilities and infrastructure already in place to serve the redeveloped Property; a downstream facilities capacity request will be submitted on behalf of the Applicant to MSD. Per FIRM Map No. 2111 C 0026 F, dated February 26, 2021, no area associated with the Proposal on the Property is located in the regulatory floodplain, the 100-year flood hazard area, nor within the combined sewer overflow floodprone area. Hydric soils are also not present on the Property. Therefore, emergency vehicle responses to the Property will have to traverse no floodplain areas to access the Property. If the site has thru drainage, then an easement will be provided to MSD. The Proposal will accommodate stormwater runoff in a manner complying with MSD standards, which mandate post-development rates of runoff leaving the site under development may not exceed pre-development runoff rate conditions attributable to the Property. Compliance with on-site detention/infiltration basin requirements to accommodate the stormwater from the building and surface parking areas. As noted on the face of the Plan, the final design of the Proposal may change at the design phase due to proper sizing of the Green Best Management Practices (the Plan, MSD Note 10).

The Property does not display thereon any characteristics of carbonate or karst areas being present, nor does the Property contain any known archaeological features on it. No severe, steep or unstable slopes exist on site of which would cause impediments to the Proposal. Moreover, because the development of the Property consists largely of improving the existing structures and hardscape area, the built environment already exists onsite and added greenery will help soften its hardscapes, including screening the hard surface parking areas on the Property from S. Shelby Street and Nanny Goat Strut. Implementation of an erosion prevention and sediment control plan will be in accord with MSD standards.

The Proposal conforms to the requirements of APCD, and the Applicant will work with APCD to ensure operations of the Distillery on the Property continues to adhere to all applicable APCD standards. The Proposal, given its location along E. Jefferson Street in Phoenix Hill/NULU, will maintain the existing pattern of development within the traditional neighborhood form, and will utilize current traffic patterns, including when E. Jefferson Street transitions into a two-way corridor from its one-way, westward traffic pattern today. An important thrust behind the operational changes to the existing Rabbit Hole distillery is to make the site safer for pedestrians and vehicle users around the Property. To this end, the Applicant is redesigning the truck loading/unloading area to the

facility, removing the existing condition where trucks back up directly to the front of the distillery on E. Jefferson Street, where trucks must be marshalled into the loading dock by navigating E. Jefferson Street during times when oncoming traffic is heading down E. Jefferson Street. This existing condition can temporarily conflict with pedestrian and vehicular traffic; the Applicant wants to remove those conflicts from E. Jefferson Street so that in the future delivery trucks can simply enter into the Property via E. Jefferson Street and exit onto S. Clay Street without having to reverse within the E. Jefferson Street or S. Clay Street rights-of-way. Removal of the loading areas on E. Jefferson Street will also replenish some onstreet parking on E. Jefferson Street. And because the Property is positioned in an area well-supported by multi-modal transportation infrastructure, including sidewalks, transit stops, and nearby accessible bike routes, the proposed development accommodates alternative modes of travel, which enables and promotes a reduction in vehicular miles traveled, thereby reducing overall air quality impacts.

## **Plan Element 6 – Housing**

The Housing Plan Element strives to enhance housing opportunities for all citizens of Louisville Metro by promoting equitable housing means ensuring diverse, quality, physically accessible, affordable housing choices with access to opportunities, services and amenities. The following three Goals are set forth within the Housing Plan Element: 1) Expand and ensure a diverse range of housing choices; 2) Facilitate the development of connected mixed-use neighborhoods; and 3) Ensure long-term affordability and livable options in all neighborhoods. As discussed herein, the Proposal advances all three Goals of the Housing Plan Element. Applicant's Proposal incorporates no housing uses on the Property, neither single-family nor multi-family housing. Today, no long-term residential uses exist on the Property. A shelter for serving the unhoused population exists on the Property and is in the process of moving from its current location at 733 E. Jefferson Street to another property downtown where the shelter can expand its services and provide accommodations to more in need than it can at its current location. Rabbit Hole, after acquiring the property whereon the shelter is located, has closely worked with the operators of the shelter over the past two years to find a better property for operating the shelter and for those served by the shelter. The rezoning of the Property to EZ-1 displaces no long-term residents from the Property, however, or from the immediate area.

The EZ-1, zoning designation being sought by the Applicant is a flexible, hybrid commercial-industrial zoning district that generally, with a few exceptions, permits land uses as set forth within the list of permitted land uses within C-2 and M-3 zoning districts to operate on property zoned EZ-1 (LDC Section 2.6.1). Applicable zoning regulations allow for the location of both single-family and multi-family dwellings, including a variety of housing types, on properties zoned EZ-1 and within the Traditional Neighborhood Form District (LDC Sections 4.3.3 and 4.3.5). Therefore, in the future should there be a desire to locate residential uses on the Property, if rezoned to EZ-1, then residential uses can be established on the Property.

The Property is located within the Phoenix Hill/NULU traditional neighborhood form and near to traditional workplace, downtown, and traditional marketplace corridor form

districts. Within these form districts are multiple examples of mixed-use properties that contain a variation of commercial, office, light industrial and residential uses within the same development. Multi-family housing or a mixed-use development including a residential component atop commercial or office would compatibly fit the surrounding area and the EZ-1 zoning designation authorizes housing, whether constructed ground up and standing on its own or whether developed within existing structures on the Property, to be located on the Property. Moreover, the Property's inclusion within an existing activity center and its nearby access to public transit (multiple nearby stops on E. Jefferson Street) also supports a future housing development on the Property, where residents could avail themselves of multi-modal transportation.

If approved, the Proposal will create additional employment positions in the area, which has the possibility of assisting residents of inter-generational, mixed-income and mixed-use development possibly find employment in an area within reasonable walking and bicycling distances from where they reside. Pedestrian connection infrastructure is well established along the surrounding streets that comprise the public grid network of streets in Phoenix Hill/NULU. The Applicant will implement streetscape improvements, including plantings to soften the hardscape, and lighting that will illuminate the E. Jefferson Street sidewalk at night, which will improve safety conditions for pedestrians walking the area at night. The Proposal is a large reinvestment for the Property, surrounding NULU and Phoenix Hill neighborhoods, and Louisville Metro in general. Although the Proposal itself does not currently contemplate long-term residential uses on the Property, the EZ-1 zoning district the Applicant hereby requests allows for various housing types to locate on the Property in the future as well as provides employment opportunities to residents living within the surrounding NULU and Phoenix Hill neighborhoods and, therefore, advances the goals, objectives & policies of Plan 2040's Housing Plan Element.

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For all the foregoing reasons, including the information shown on the submitted detailed development plan to be discussed at the Planning Commission's Land Development & Transportation Committee, and for all other reasons presented at the LD&T review and the Planning Commission's public hearing, this Proposal to re-use the existing buildings and re-establish neighborhood serving use on a property fronting a vital urban corridor, the particular section of which is long overdue for reinvestment, complies with all other applicable Guidelines and Policies of Plan 2040, Louisville Metro's adopted Comprehensive Plan.

#### **JUSTIFICATION STATEMENT OF ZONING APPLICATION'S COMPLIANCE WITH PHOENIX HILL & NULU NEIGHBORHOOD PLAN**

On August 18, 2022, via Ordinance 103, 2022, the Louisville Metro Council adopted the Butchertown, Phoenix Hill & NuLu Neighborhood Plan (the "Neighborhood Plan"), which sets forth the following vision for three communities in the heart of Louisville, and in which the Property is located: Butchertown, Phoenix Hill and NuLu are historic,

energetic, and resilient urban communities located in the heart of Louisville, where smart growth supports an environment for everyone to succeed. (Neighborhood Plan, page 4). The Neighborhood Plan's overarching goal is to anticipate growth and develop a proactive approach in which new developments benefit new and existing residents of all socioeconomic groups. Four main Plan Elements are set forth in the Neighborhood Plan and relate to 1) Land Use & Community Form; 2) Mobility; 3) Beargrass Creek (not applicable to the Property nor to this zoning application); and 4) Equity & Affordability. Additionally, the Neighborhood Plan developed five goals from public engagement that were then used as the foundation for the Neighborhood Plan's vision statement, objectives and recommendations. These five goals are as follows: 1) Improve connections for all modes; 2) Guide growth to support livability; 3) Continue to be authentic and unique; 3) Promote a green neighborhood and Beargrass Creek; and 5) Be welcoming to all families and individuals. For all of the reasons set forth in the Applicant's statement of compliance with Plan 2040, A Comprehensive Plan for Louisville Metro that also apply to addressing the applicable recommendations, goals and plan elements set forth within the Neighborhood Plan, those reasons are again set forth hereinunder. For all the justifications set forth hereinunder, the Proposal is in agreement with the applicable recommendations found in the Neighborhood Plan.

### **Land Use & Community**

The Proposal is in agreement with the Land Use & Community Plan Element of the Neighborhood Plan and its applicable goals, objectives and action items. The Applicant has engaged and will continue to gage other property owners, employers and residents of the Phoenix Hill/NULU Neighborhood about its Proposal and is open to hearing suggestions and concerns on how to better the Proposal from all those who are nearby and affected. The Applicant has held two neighborhood meetings, one onsite and another at a location in NULU, to discuss what is being proposed on the Property and to learn about neighbors' concerns in response. The Applicant has also held numerous face-to-face meetings and conversations with interested parties in the Phoenix Hill/NULU neighborhood to discuss the Proposal and learn of questions and concerns held by those parties. For reasons specified in the Applicant's zoning compliance statement set forth above, the Proposal is compatible with the scale and form of the surrounding built environment. Most buildings within the area range from between two and four stories. The Proposal includes buildings onsite primarily between two and three stories; building renderings have been included with the Applicant's formal zoning application submitted to Louisville Metro Planning and Design Services. The property across the street from the Property is currently under development where a 6-story mixed-use structure is proposed to operate. The Property is located within the NULU Review Overlay District and the Applicant looks forward to working with Planning and Design Services to undertake the development review process as it relates to both the Plan 2040 Comprehensive Plan and the applicable guidelines of the NULU Review District Overlay.

The Proposal will expand an existing, successful distillery use into a mixed-use destination center that will continue the success of the Rabbit Hole Distillery and create new spaces to support a brand home for Pernod Ricard's American Whiskey, new

hospitality areas, including a bourbon library and rooms for single barrel selections, supportive office use, logistics, and innovation of new products. The Applicant proposes no new expansion improvements to increase distillation capacity will occur with its zoning request. Rather, a portion of the Proposal is to accommodate moving several processes to an offsite location and outside of the Phoenix Hill/NULU neighborhood, which will assist in reducing overall truck traffic to the Property and help minimize other potential disruptions to neighboring properties, such as noise and smell. Onsite, the Proposal seeks to relocate the truck delivery area to the western portion of the site and internal to the Property as compared to the current truck delivery/loading area, which is comprised of bay doors that directly front E. Jefferson Street. This relocation of the truck delivery/loading area will help abate truck noise and remove future conflicts between delivery trucks at the Property and vehicular and pedestrian traffic along E. Jefferson Street, especially for when E. Jefferson Street transitions to two-way traffic. The new truck corral will screen the trucks during delivery time and the walls to the truck corral will be incorporated into the architectural design of the facility and utilize mural art along its S. Clay Street and Nanny Goat Strut facades to activate the facades and bring further visual interest to the associated streetscapes. Street trees and plantings will also be incorporated throughout the areas between the development and the public rights-of-way to soften the hardscapes on the Property, provide shade for pedestrians, and allow for greenery in urban areas. Green roof technology will be deployed within the site design to assist in cooling down the urban area and contribute to proper stormwater management on the Property. The Applicant will work with utility providers to bury utility lines, where practical and doable, for strengthening the reliability and resilience of power and communications systems in extreme weather events. The Applicant is happy to work with APCD to monitor and comply with any APCD regulations that apply to the Proposal.

### **Mobility**

The Applicant's Proposal advances the Neighborhood Plan's Mobility Plan Element and all applicable goals, objectives and action items set forth thereunder because the Proposal plans to transform a successful Rabbit Hole Distillery, which already draws visitors as a popular destination point, into a larger mixed-use destination that would become a brand home for a global company's line of American Whiskey, and, with that, create better walkability and more complete streetscapes around the Property to support efficient and safe mobility options for people coming and going to/from the Property as well as those traversing around the Property on their respective ways to other places within the surrounding areas. E. Jefferson Street is one of the primary urban corridors within the Neighborhood Plan's study area and it, too, is slated to convert from one-way traffic to two-way traffic. The Applicant's plan to relocate its truck delivery from E. Jefferson Street to a location internal to the Property will be a welcome change to the E. Jefferson Street conversation, as less traffic conflicts can be expected with the Applicant's proposed circulation plan for truck deliveries. The Applicant's truck delivery relocation will also support better walkability along E. Jefferson Street's northern side, as no delivery trucks will be encroaching into the pedestrian space, which can impede safe walkability along the sidewalk.

The Applicant will install street trees and landscape plantings in places along the public rights-of-way where they survive and thrive, which will help cool down the applicable streetscapes and insert therein additional visual interest. Mural art, and potentially other forms of public art, will be implemented along S. Clay Street, E. Jefferson Street, S. Shelby Street and Nanny Goat Strut rights-of-way to increase streetscape appeal and attractiveness around the Property for pedestrians, cyclists and other engaging in low speed uses. The Applicant will meet with TARC to discuss transit infrastructure design solutions so that TARC can continue to serve the Property and neighboring properties following TARC's Transit Design Standard Manual guidelines. The Applicant will fix any missing or damaged sidewalks and fill in any street lighting gaps so that the pedestrian crossings surrounding and serving the Property and general neighborhood are safe and walkable, including at night. The Applicant desires the pedestrian connections serving the Property (and greater Phoenix/NULU Neighborhood) to be welcoming during both day and evening hours. The Applicant will furnish a bicycle parking area on the Property to encourage both employees and visitors to bike to/from the Property. The Applicant intends to explore the construction of a pedestrian connection along a portion of its frontage with Nanny Goat Strut alleyway, to support pedestrian activity along the alleyway. The Applicant also owns property fronting Market Street, which also provides a good connection for the pedestrian visitors to travel from the Market Street Traditional Marketplace Corridor to the Rabbit Hole Distillery destination without having to use S. Clay Street or S. Shelby Street.

### **Equity and Affordability**

The Applicant's Proposal is in agreement with the Neighborhood Plan's Equity and Affordability Plan Element and its applicable goals, objectives and action items because the Property currently houses no long-term residential uses and the EZ-1 zoning district being sought by the Applicant for the Property permits multiple housing types in new developments that would establish multiple price-points, including mixed-use with various use types that could be established on the first floor and with residential uses atop whatever use is established on the ground floor. With the Proposal, no area of the Property will be underutilized or vacant whereon residential uses could be located onsite. The Applicant has worked with RE:Center Ministries to find a property within the downtown area RE: Center Ministries believes will fulfill its short-term and long-term needs and the needs to whom it provides services with a new location that can afford even more space than its current location on the Property where RE:Center Ministries can successfully deploy its various services to more men, women and children in need. Please see Letter, dated January 5, 2024, from Cory A. Bledsoe, Executive Director of RE:Center Ministries, and Alex Nolan, Treasurer, RE:Center Ministries Board of Directors.

Respectfully submitted,

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