

**STAFF REPORT
ZONING BOARD OF ADJUSTMENT**

**Thursday, February 13, 2020
9:00 AM**

**Montana Expo Park – Family Living Center
400 3rd St NW, Great Falls, MT 59404**

SUP #016-2019

Subject Property Information

Name of Applicant & Owner:	Madison Food Park LLC Silver Falls Distillery, Inc 8346 US Hwy 89 Great Falls, MT 59405
Legal Description:	S34 T20N R05E, W ½ E ½, in SE ¼ SE ¼, in E ½ NW ¼, Less Certificate of Survey 4803, Mk F
Geo-Code(s):	02-3017-34-4-02-01-0000
Parcel Number(s):	0005348300
Existing Zoning:	Agricultural (A)
Requested Action:	Approval of a Special Use Permit to allow a Distillery
Surrounding Land Uses / Zoning:	North: Agricultural / A South: Agricultural / A East: Agricultural / A West: Agricultural / A
Current Land Use:	Agricultural
Applicable Regulations:	Sections 10 and 7.2.4(26) Cascade County Zoning Regulations

General Information:

The Cascade County Zoning Board of Adjustment is in receipt of a Special Use Permit application #016-2019 from Silver Falls Distillery, Inc, to allow a Distillery on property owned by Madison Food Park, LLC, in Section 34 of Township 20 North, Range 05 East in Cascade County, MT. The applicant is requesting that a

Special Use Permit be granted as required by Section 7.2.4(26) of the Cascade County Zoning Regulations.

General Provisions

A special use is a use for which conformance to additional standards will be required and shall be deemed to be a permitted use in its respective district, subject to the standards and requirements set forth herein, in addition to other applicable requirements of these regulations. All such uses are hereby said to possess characteristics of such unique and special forms that each specific use shall be considered as an individual case.

A special use permit may be issued only upon meeting all requirements in these regulations for a specific use which is explicitly mentioned as one of the “Uses Permitted Upon Issuance of a Special Use Permit as Provided in Section 10” within the respective zoning districts contained in Section 7 or Section 8.1.5 hereof. After the public hearing is closed, the Zoning Board of Adjustment can approve, deny, or approve with conditions the Special Use Permit. A separate Special Use Permit shall be required per each tract of land. The Special Use Permit fee shall be \$450.00.

Expiration

The Zoning Board of Adjustment approval of the Special Use Permit shall be valid for only one particular use and shall expire one year after the date of approval, if construction or the use has not started. The Zoning Administrator may grant a one-time only six (6) month extension of the Zoning Board of Adjustment approval.

The Special Use Permit shall expire if the use ceases for six (6) months for any reason. Any further extension requests must be granted by the Zoning Board of Adjustment prior to the date of expiration.

Findings of Fact:

1. The property is in the Agricultural (A) Zoning District. The proposed use is allowed in the Agriculture District pursuant to Section 7.2.4(26) of the Cascade County Zoning Regulations. *“Agricultural District...Uses Permitted Upon Issuance of a Special Use Permit...Distillery.”*
2. The Cascade County Zoning Regulations defines a Distillery as “Establishment engaged in manufacturing, assembly, fabrication, packing or industrial processing of products from raw materials including the chemical transformation of materials or substances into new products, and blending of materials including liquors.”

3. Madison Food Park, LLC, (hereinafter, Madison Food Park) is the legal owner of the property.
4. The property is not known to be in violation of any Cascade County, State, or Federal regulations or laws and county taxes are current.
5. Legal Notice of the application and the public hearing was published in the Great Falls Tribune on January 26, 2020 and February 2, 2020. Legal Notice was sent to adjacent property owners on January 27, 2020.
6. Interested agencies were solicited for comment on January 3, 2020. As of publishing this report, two interested agency responses have been received with no objection. Northwestern Energy provided technical information regarding the availability of power. Great Falls Public Schools noted that this project is outside of the school district's boundaries and declined to provide further comment.
7. Access to the facility will be from an approach off US Highway 89, a State highway, north of the property. This approach is required to be approved by the Montana Department of Transportation.
8. A special use permit may be revoked by the Cascade County Board of Adjustment at any time a building(s) or use(s) is deemed to be in violation of the standards and zoning requirements under which the special use permit was issued. A violation of a special use permit will be handled as any other violation under Section 13 of these regulations.
9. Appeals of the Zoning Board of Adjustment decision shall follow the process outlined in Section 12 of the Cascade County Zoning Regulations.

Findings with Respect to the Analysis Criteria

Staff provides that the following analysis, findings, and conclusion for each of the required criteria and conclusions provided under the controlling sections of the Zoning Regulations.

1. Conditions may be required that the Zoning Board of Adjustment determines if implemented, will mitigate potential conflicts to reach these conclusions.
2. The proposed development will not materially endanger the public health or safety.

Considerations:

- a. Traffic conditions in the vicinity, including the effect of additional traffic on streets and street intersections, and sight lines at street intersection and curb approaches:

Applicant: As shown on the attached exhibits, the property is adjacent to US Hwy 89 R/W and is located between five and eight miles east/southeast of the City of Great Falls corporate limits, and traffic to/from the site will be via US 89 approximately 3.5 miles east of the Stockett Rd intersection.

The average daily traffic (ADT) near the site as measured in 2017 is 4,342 vehicles per day. This count was measured on US Hwy 89, east of the Stockett Rd intersection. The traffic volume drops slightly to 4,118 (2017 ADT) just west of Belt. The proposed use/facility is estimated to generate additional traffic as follows:

- Delivery trucks: average five (5) vehicle round trips per day***
- Staffing/employees: average eighteen (18) vehicle round trips per day***
- Retail customers: average twenty (25) vehicle round trips per day***

The development is anticipated to generate an added 48 vehicle round trips per day, a one-percent increase over the current ADT.

Peak daily traffic impacts are expected to occur just prior to and after work shifts, generating approximately fifteen (15) additional vehicle trips between 6:30 and 7:00 a.m. and again between 4:00 and 5:00 p.m. The majority of vehicles will be entering from the west and exiting to the west.

The Montana Department of Transportation will require an approach permit to connect the access roads to Hwy 89 and has determined a traffic impact study (TIS) is unnecessary for the intended use(s).

The Cascade County Zoning Regulations permit a wide range of uses in the Agricultural Zoning District, including many that generate significant amounts of traffic such as campgrounds and recreational vehicle parks, commercial dairies, power plants, and community centers. Additionally, an even wider variety of land uses which generate significant levels of traffic are allowed via a special use permit, including quarries, veterinary clinics, mobile home parks, equipment rental and sales facilities, hospitals, and

many others. Therefore, the Zoning Regulations anticipate and accommodate land uses generating traffic.

The MFP facility will create an additional amount of traffic that can easily be handled by Hwy 89 without affecting its level of service or requiring additional traffic control measures. The amount of traffic generated by the MFP is consistent with both permitted land uses and those allowed and anticipated by the zoning regulations and will not have a material, negative effect on traffic conditions.

Staff: The project is not expected to materially endanger public health and safety with traffic conditions in the vicinity. The Montana Department of Transportation has contacted staff directly as part of the Interested Agency notification process to state that they are in receipt of an approach permit from the Applicant and that they are reviewing the permit, environmental checklist, and supplemental materials but will not issue the permit until documentation that Cascade County has approved the Special Use Permit. The applicant's estimated traffic volume for the Distillery is comparable to a ten (10) lot Residential subdivision based on Average Trip Generation Rates from the Institute of Transportation Engineers. When considering this application alongside the Big Sky Cheese facility, that number increases by approximately 52 trips per day to a total of 100 trips per day. Marginal impacts to traffic on US Highway 89 are anticipated and sight lines appear to be unobstructed from the proposed ingress/egress location. While redundant with required State permitting, staff recommends that an approved Driveway Approach from MDT be a condition of the permit for the sake of specificity.

- b. Provision of services and utilities including sewer, water, electrical, garbage collections, and fire protection.

Applicant: The distillery will be served by onsite water and wastewater facilities. Wastewater treatment will be completed onsite using Montana DEQ-approved wastewater treatment system(s). Commonly practiced treatment technologies will be used for managing both domestic and process waste streams, and beneficial reuse of treated effluent will be performed in a manner that is compliant with DEQ and local government regulations. The overall volume of process wastewater generated from the distillery is estimated at approximately 1,150 gallons per day (gpd). With the 5-6 day/week operation, this will result in approximately 300,000-360,000 gallons of process wastewater each year.

The process wastewater will be pretreated onsite, then seasonally stored in treatment/holding cells, followed by beneficial reuse in the form of land application of treated effluent on approximately 10-15 acres of cropland, either onsite or on adjacent farmland.

Domestic wastewater generation is expected to be the equivalent of approximately one or two residences, 450 gpd. Domestic wastewater will be treated and disposed via a conventional septic tank and drainfield, all in strict compliance with DEQ and local standards and regulations.

Water used at the distillery and domestic usage will be supplied via onsite wells, a series of transmission mains and potentially storage tanks.

The water and wastewater systems for the site must be reviewed and approved by the Montana DEQ. Fire protection will be provided via onsite storage tanks and booster pumps.

Natural gas service to the property will be provided via Energy West and electrical service will likely be provided by NorthWestern Energy. Telecommunications will be provided by one or more local service provider(s) (e.g., Three Rivers Communications, Charter, CenturyLink, Blackfoot Communications, etc.) through new service lines to the proposed development. The MFP principals are also considering the use of wind turbines and solar farms for the generation of supplemental electrical power.

Staff: NorthWestern Energy provided comment to state that 3 phase electric is approximately 16,000 feet away on the North side of US Hwy 89, and single phase was available approximately 2000 feet away on the south side of US Hwy 89. This comment has been forwarded to the applicant's consultant and is included in the Board's packets. Fire protection will be provided by Sand Coulee Volunteer Fire Department, and the applicant intends to provide on-site water storage and booster pumps to provide onsite fire protection. Additionally, State Building Code will dictate minimum design requirements for fire suppression necessary for this development. While the County does not provide standards for driveways or private roads outside of those established through Subdivision, Staff has found that a road that will sustain employee, delivery, and heavier vehicular traffic, can reasonably be expected to support

access for emergency vehicles. The Sand Coulee Volunteer Fire Department received their Interested Agency Notification on January 8, 2020 via certified mail, and has not provided any comment at the time of writing this report. Sewer and water will be provided for on-site, and solid waste that is not disposed of on-site will need to be hauled to the landfill by the applicant, owner, or contracted with an area waste hauler. No other utilities have provided comment and Staff finds that this consideration is reasonably satisfied.

- c. Soil erosion, sedimentation, and stormwater run-off.

Applicant: Construction and development of the distillery will include the construction of an access road, a ~20,000 sf building, parking lot, wastewater treatment and disposal facilities, and related items. This construction is consistent with permitted land uses in the Agricultural Zoning District. In the short-term, during construction, there will be an increased possibility of soil erosion and stormwater run-off consistent with typical construction activities. Traditional erosion and sediment control best management practices (BMPs) will be utilized during construction which will include but are not limited to silt fences, straw waddles, and storm water detention and retention ponds.

As the site disturbance will be over 1 acre, a DEQ "General Permit for Storm Water Discharges Associated with Construction Activity" permit will be required and will address and mitigate soil erosion and sedimentation during construction. This permitting process will involve the submission of a Notice of Intent (NOI) and Storm Water Pollution Prevention Plan (SWPPP) to DEQ. Additionally, the SWPPP will need to be updated and maintained throughout the course of the project. Upon completion of work and after final site stabilization has been completed, a Notice of Termination (NOT) will be submitted to DEQ, at which time the permit will officially terminated.

BMP's suggested by the DEQ will be utilized throughout construction to maintain water quality and minimize soil erosion. Following construction, stormwater runoff will be collected within onsite detention and retention/treatment basins and discharged at predevelopment rates in strict accordance with DEQ Circular 8.

Soils at the proposed distillery are generally described by NRCS as Lawther-Gerber Complex (8%-15% slopes) and

Gerber-Lawther Silty Clays (4%-8% slopes). These soils predominantly consist of silty clays and silty clay loams and they are defined as “well drained.” The soils are further defined as have no frequency of flooding and no frequency of ponding. NRCS indicates these soil types have a “capacity of the most limiting layer to transmit water to transmit water” as moderately low to moderately high at 0.06-0.20 inch/hour.

The existing topography is generally rolling hills with moderate slopes. The north side of the property drains northerly toward the MDT R/W. Storm drainage from the north side of the property will eventually reach the Missouri River. The south side of the property drains south and west into Antelope Creek and eventually enters Sand Coulee Creek, which also discharges to the Missouri River just upstream and south of the City of Great Falls.

Upon completion of construction, there are no anticipated significant impacts for erosion, sedimentation, and stormwater runoff. Impacts will be consistent with an increase in impervious surfaces; however, these impacts will be mitigated using appropriate BMPs, storm water detention, and other applicable regulatory requirements. Revegetation of disturbed areas combined with proper storm water collection and detention as required by the DEQ’s storm water permit will minimize impacts to the site. Additionally, water leaving the site will be properly treated (i.e. sediment removal) and flows will be maintained at predevelopment rates.

Staff: Based on the application materials, the applicant should not affect soil erosion and sedimentation on the site as they will be required to obtain a permit from Montana Department of Environmental Quality (DEQ) for storm water discharges associated with construction activity. Additionally, Montana DEQ and local regulations are expected to address stormwater mitigation as a component of water and wastewater approvals associated with this development. Compliance with DEQ regulations would indicate that the project will have a minimal impact on soil erosion and sedimentation. The City-County Health Department, was solicited for comment, and forwarded the notice to DEQ. DEQ responded that the applicant should determine if a discharge permit would be required, but did not provide additional comment at the time of writing this report.

- d. Protection of public, community, or private water supplies, including possible adverse effects on surface waters or groundwater.

Applicant: There are no public, community, or private water supplies on the property. There are a variety of private wells adjacent to the property primarily serving individual homes and agricultural operations. It appears that all such wells are located at least one mile from the proposed distillery.

The distillery will require a relatively small volume of water, estimated at 1,600 gpd. Based on 5-6 days per week, this equates to 1.28-1.53 acre-feet/year. It has been demonstrated that the underlying Madison formation can easily satisfy these volumes. The depth to the Madison formation at this location is estimated to be 400-500 feet bgs (below ground surface) and the aquifer is estimated to be 350-500 feet in thickness. A well contractor has been employed to construct wells for the property. When wells are constructed, test pumping will be completed to demonstrate the project will not improperly impact water sources of nearby neighbors.

Two (2) public water supply wells will be constructed soon to serve the MFP property; a third well will be installed if deemed necessary to serve the distillery. Well construction and protection requirements of DEQ Circulars 1 & 3 and the Administrative Rules of Montana will be strictly adhered to so as to protect the new public water supply and groundwater within the general vicinity of the project.

Surface waters in the vicinity of the project will be protected by maintaining effective runoff collection and conveyance systems to direct stormwater to onsite detention and treatment ponds where it can be detained and treated prior to discharge. Discharge will be restricted to predevelopment rates.

All wastewater treatment and/or storage ponds will be designed such that they are safeguarded against impacts to local groundwater and surface water by utilizing adequate liners and/or best management practices to avoid leaks and spills. Additionally, all setback distances as required by the Montana DEQ will be strictly maintained between water supply wells and potential hazards so as to limit contamination potential.

Staff: Based on the application materials, surface water should not be impacted due to the runoff being collected and conveyed to on-site detention ponds. Public, community, and private water supplies and ground water should be protected as the wastewater collection and treatment will be required to meet DEQ regulations. The applicant will need to obtain any necessary permitting for the exempt wells from the Montana Department of Natural Resources and Conservation (DNRC). There is some question as to whether or not the applicant's proposed wells will be impacted by § 85-2-306(3)(iii) MCA which addresses combined appropriations for exempt wells, however this is a determination that will ultimately be made by DNRC and is not a Zoning matter. DNRC has been solicited for interested agency comment but has not provided a response to staff as of writing this report. Staff finds there is a reasonable expectation that the applicant will obtain all necessary State agency permitting, however recommends a condition (Condition 2) reinforcing this requirement.

Calculations provided in public comments contest the wastewater generation figures provided by the applicant. Public comments have been provided to the applicant's consultant and staff encourages the applicant to provide clarification regarding wastewater calculations for the purposes of satisfying this consideration.

3. The proposed development is a public necessity or will not substantially impact the value of adjoining property.

Considerations:

- a. The relationship of the proposed use and the character of the development to surrounding uses and development, including possible conflicts between them and how these conflicts will be resolved.

Applicant: Land uses on adjoining properties primarily consist of large-scale agricultural operations and associated rural residential uses. The distillery will be located more than one mile from any existing dwelling or agricultural buildings. Possible conflicts are expected to be minimal, but could include additional traffic, visual changes (additional buildings, night-time lighting), and some noise. Yet, MFP's design team will utilize buffering features to help mitigate noise and visual impacts whenever possible.

The proposed development is proposed to be centrally located within the relatively large subject properties which will help eliminate any potential conflicts with surrounding land uses. Visual impacts can be mitigated using strategic landscape placement and by implementing exterior lighting technologies to direct lighting downward to reduce or eliminate glare and offsite lighting “pollution.” Traffic has been addressed previously in this document.

Permitted land uses in the Agricultural zoning district have the potential to create similar conflicts. Agricultural operations, by their nature, tend to generate dust and odors associated with tilling, planting, harvesting, and the use of chemicals. The distillery’s impacts will be similar to those land uses already permitted by the zoning district and can be mitigated using readily available measures.

Staff: Minimal impacts or conflicts with nearby owners are anticipated. While the proposed land use does not require a buffer or landscaping, the applicant is voluntarily locating the distillery in excess of one (1) mile from existing residences. The subject location is surrounded by predominately agriculturally-used land and Hill Top Colony lies to the southwest. Rural residences to the North are the most likely to be impacted by the applicant’s approach, however given the general level of traffic along US Hwy 89, the increased traffic from this operation and the Big Sky Cheese operation, Staff has not found cause to expect more than a minimal impact on those property owners, especially when taken in the context of an agricultural operation centrally located approximately a half-mile to the East adjacent to US Hwy 89.

- b. Whether the proposed development is so necessary to the public health, safety, and general welfare of the community or county as whole, to justify it regardless of its impact on the value of adjoining property.

Applicant: This consideration is an alternative to the previous one and need not be met. This consideration exists to allow approval of a special use permit in the rare instance that a proposed land use is so important that its impacts should be accommodated. MFP is not making such a claim with respect to its distillery.

All development allowed by the zoning district regulations, whether as a permitted use or as one requiring a special use permit, creates some level of impact. This is expected

and appropriate. All potential impacts created by the distillery can and will be appropriately mitigated and minimized such that there will be no appreciable impact on public health, safety, and the general welfare of the community or County. Additionally, the facility will also provide benefits via increased tax base and the addition of jobs for area residents.

Staff: Staff concurs with the applicant's assessment.

4. The proposed development will be in harmony with the area in which it is located.

Considerations:

- a. The relationship of the proposed use and the character of development to surrounding uses and development, including possible conflicts between them and how these conflicts will be resolved.

Applicant: Land uses on adjoining properties and in the vicinity primarily consist of large-scale agricultural operations and associated rural residential uses. As noted on Montana Cadastral (refer Exhibit B), the surrounding area is comprised of agriculturally zoned properties with areas of animal grazing, fallow land, and wild hay. Some surrounding properties contain single-family residential dwellings.

The proposed project consists of a distillery and will include beneficial use of treated effluent via spray-irrigated agricultural crops. MFP acknowledges that the distillery itself is different than land uses in the immediate vicinity. However, the distillery is permitted with a special use permit. The distillation and storage components of the facility are specifically contemplated by the zoning district regulations. The impacts associated with its operation have been discussed in this application along with the means to mitigate such impacts such that the facility can exist in harmony with other area land uses. While not required by the County's zoning regulations, no buildings or operations will be located within one mile of existing residences. This one-mile buffer will help mitigate any perceived conflicts with the existing residences and maintain compatible land uses with the other surrounding properties. Large portions of the property

will remain in agricultural production which is consistent with and in harmony with adjacent land uses.

Staff: No significant conflicts are anticipated with an operation of this scale. The applicant has chosen to locate in excess of one mile from existing residences and will keep the remainder of the property that is not developed in Agricultural production, consistent with the dominant surrounding land-use. There are three properties owned by two landowners adjacent to the subject parcel, the remaining surrounding parcels are owned by Madison Food Park, the applicant. Neither adjacent property owner has provided comment at this time. Staff anticipates that properties directly across from the project's proposed access would be most likely to be impacted and traffic impacts have already been discussed, however natural topography means that these residences would be unlikely to be visually impacted by this development. There is an expectation that other landowners in the area may be able to physically see this proposed development, and while there are no landscaping requirements for the Agricultural Zoning District, there may be a showing of good cause that justifies the establishment of a landscaping plan, or adherence to other practices, such as dark sky friendly lighting.

5. The proposed development will be consistent with the Cascade County Growth Policy.

Considerations:

- a. Consistency with the growth policy objectives for the various planning areas, its definitions of the various land use classifications and activity centers, and its location standards.

Applicant: The proposed project is located within the Military Overlay District surrounding Malmstrom AF Base. The project site is located within the outer horizontal surface meaning structures are restricted in height to a maximum of 500' above the established airfield elevation which will be maintained by all proposed structures. The potential implementation of wind turbines for renewable energy generation will be coordinated with the FAA, Cascade County, and MAFB as needed.

Staff: Staff concurs with the applicant's assessment that this property is located in Military Overlay District-F, which

restricts structures greater than 500 feet above the elevation of the helicopter runway at Malmstrom, 3,526 ft. No conflicts are anticipated and staff does not expect that any of the principal buildings will breach this threshold given that the approximate elevation of the project site is between 3680 and 3689 feet, based on Topographic data available from Montana Cadastral. Staff recommends a condition reinforcing the height military overlay district restriction for potential future development (Condition 10). Malmstrom Air Force Base was provided notice of this project and has not provided any comment.

Goal 1: Sustain and strengthen the economic well-being of Cascade County's citizens.

- A. *Stimulate the retention and expansion of existing businesses, new businesses, value-added businesses, wholesale and retail businesses, and industries including agriculture, mining, manufacturing/processing and forest products.*

Applicant: The proposed development will be a new addition to agricultural industry in the area. The new business will help expand the local economy while providing locally-produced spirits for local consumption.

Staff: This proposed use directly supports this objective. Based on the applicant's Operational Use Statement, the initial phases of this development could be characterized as a bottling facility rather than a distillery, however meets the definition of a "Distillery" under the Cascade County Zoning Regulations (CCZR) as well as § 16-4-312 MCA's definition of a "Domestic distillery," which generally allows for the importation, bottling, blending, storage, transport, and exportation of liquor. It is anticipated that future distillation will source grains from the region that will bolster the agricultural economy, and the development will directly provide a boost to the transportation sector. As with any other business, it is reasonable to expect that there will be a positive impact on other businesses, such as the construction and service industries.

- B. *Stabilize and diversify the county's tax base by encouraging the sustainable use of its natural resources.*

Applicant: As noted above, the proposed project will increase the County's tax base with the implementation of this project. Additionally, process water utilized within the distillery operations will be treated, stored, and reused, beneficially to spray irrigate onsite and/or nearby crops. The wastewater treatment and spray irrigation will also ensure

that local and area farmlands are maintained as part of the project. As noted previously, MFP is researching the possibility of incorporating wind turbines, solar energy, and other renewable energy alternatives to utilize sustainable resources and offset some of the energy requirements for the site.

Staff: The initial use of this facility for bottling, sealing, packaging, storing, shipping, and later blending, does not support the sustainable use of natural resources, however the applicant's growth timeline strongly suggests that the proposed use of agricultural commodities for distillation will directly support this objective. Where the applicant chooses to source their materials is not a Zoning matter, however staff finds that given general market conditions there is a reasonable expectation that agricultural commodities could be locally sourced. Additionally properly treated organic waste can be used to support the agricultural economy, as indicated by the applicant. Proposed renewable energy use will also support this objective and reduce the carbon footprint of the facility.

- C. *Identify and pursue primary business development that complements existing business, which is compatible with communities, and utilizes available assets. Identify and pursue targeted business development opportunities to include, but not limited to, manufacturing/heavy industry, telecommunications, and youth/social services.*

Applicant: The proposed business complements the existing primary business of area residents and maintains compatibility with the surrounding area and County as a whole.

Staff: The proposed use is a primary business development that is expected to complement area businesses, as indicated previously. The proposal has the potential to utilize the services of local transportation businesses, contractors, and agricultural producers. The use is anticipated to provide both short and long-term benefits to existing businesses and staff is unaware of any businesses in Cascade County engaged in a similar enterprise.

- D. *Promote the development of cultural resources and tourism to broaden Cascade County's economic base.*

Applicant: The proposed development has the potential to help develop tourism and cultural resources within the County as the added taxes collected from the development are put into beneficial use. In addition, the project will promote Montana-made products, and the use of water from the Madison Formation and locally sourced grains/ingredients will be [providing] beneficial marketing tools for the County and neighboring communities. The distillery may consider offering

promotional/educational opportunities for the public to view certain operational aspects, and they do plan to offer occasional tours. Given the facility's location and the buffer zone provided by the size of the property relative to the location of development, the distillery will have no impact on cultural resources or existing tourism opportunities.

Staff: The proposed use is not applicable to this objective beyond the perpetuation of the region's cultural heritage of agriculture. The applicant has suggested they may implement a tasting room, which would be required to be in compliance with Title 16 MCA "Alcohol and Tobacco." Given the project site's distance from US Hwy 89 and surrounding cultural resources, marginal, if any, negative impacts are expected to tourism. It is possible that a tasting room and facility tours could draw interested parties, especially when considered along with Big Sky Cheese and its proposed tasting room, but staff would not anticipate that this would be a stand-alone tourist attraction as currently proposed.

- E. *Foster and stimulate well-planned entrepreneurship among the county's citizenry.*

Applicant: The MFP Development project has the potential to act as an economic catalyst for both aligned and peripheral business ventures and entrepreneurial start-ups to locate their business enterprises in Cascade County to take advantage of the capacity, infrastructure, and market access directly created by the MFP development.

Staff: The proposed use is not directly associated with entrepreneurship development; however, indirect benefits may occur from the proposed use and services obtained from local businesses and individuals.

- F. *Promote a strong local business environment. Encourage and strengthen business support mechanisms such as chambers of commerce, development organizations and business roundtable organizations.*

Applicant: Extensive investment in infrastructure by the principals in MFP, working in collaboration with both the County and State, will provide the local business community, local government, and community development corporations with a necessary tool to promote business development across the region. In addition, the local chamber, economic development organizations, and business promotional groups will have the opportunity to promote development and additional investment by demonstrating the commitment made by MFP in developing its operations locally.

Staff: This proposed development is related to an existing business in Cascade County that is known to be engaged in local and regional events. Additionally, Madison Food Park is known to be independently affiliated with at least one local non-profit. Staff has found that this proposed use will directly support this objective.

- G. *Improve local trade capture for Cascade County businesses. Promote local shopping as well as well-planned businesses and new businesses.*

Applicant: *As indicated in the initial projection compiled by principals of the MFP development, when operating at peak capacity, the distillery will directly employ 18 fulltime employees. The projected influx of workers and their families will have a positive economic impact on the community, including existing and expanding business enterprises such as manufacturing, wholesale, retail, distribution, etc. In addition, to the extent available, the project will use local ingredients in its manufacturing and production activities to the greatest extent possible.*

Staff: The proposed use is a new business and is expected to increase local trade capture directly and indirectly. Local and area liquor retailers and distributors will see an increase in diversity of available products promoting local shopping, and businesses supporting this development and the associated Big Sky Cheese facility could find economic benefit providing their services to the operation.

- H. *Network with and support other economic development efforts in the region and statewide, in recognition of Cascade County's interdependence with other communities and to leverage available local resources.*

Applicant: *See previous responses.*

Staff: The proposed use exemplifies the interdependence of agricultural communities, both locally and nationally, by utilizing agricultural and non-agricultural commodities to create a value-added product, as well as providing opportunities for professional consulting and development services. There is a direct connection to the leveraging of available local resources.

- I. *Encourage the growth of the agricultural economy.*

Applicant: *The central development concept guiding the MFP project is the support and expansion of local agricultural operations, stabilization of related markets and expansion of product supply chains, along with investment in agribusiness-based enterprises which directly support*

farmers and ranchers across the golden triangle and the state of Montana. By demonstrating its commitment to supporting the plight of Montana's most vital agricultural industries, the principals of MFP fully anticipate that both producers and an assortment of businesses which rely upon their survival and success will commit their support and resources to building on the momentum created by MFP distillery project.

Staff: The initial phases of this development are not anticipated to significantly support this objective on-site, as the liquors and spirits are intended to be distilled and blended offsite and delivered in bulk. Treated wastewater can be expected to have a direct, if mild, impact on this goal through beneficial reuse in irrigation. The proposed future development of this project has the potential to further support this objective locally by encouraging the growth of the agricultural economy through the production of agricultural commodities. Staff has found that this application is in general compliance with this objective.

- J. *Stimulate the growth of the economy by encouraging the use of alternate methods of energy production, including wind energy.*

Applicant: *The principals of MFP are committed to introducing green technology to the property in the near future, where possible and if deemed feasible. At present, MFP is in discussions with renewable energy companies and will continue to consider technologies that may be viable for the site and would complement the distillery. The design and development of the facility will reflect a commitment to incorporating alternative energy and energy efficient technology, whenever possible.*

Staff: After reviewing the application and supplemental information, Staff has found that there is a reasonable expectation that the applicant intends to develop renewable energy sources for this project. The development of renewable energy resources is often considered a vital component of sustainable business practices, as well as a means of reducing carbon footprint and an investment in reduced long-term energy costs. The development of wind resources could potentially generate conflict with the Height Military Overlay District, and staff finds that this hazard can be mitigated by reinforcing the development requirements associated with § 16 of the CCZR.

GOAL 2: Protect and maintain Cascade County's rural character and the community's historic relationship with natural resource development.

Objectives:

- A. *Foster the continuance of agriculture and forestry in recognition of their economic contribution and the intrinsic natural beauty of grazing areas, farmlands and forests.*

Applicant: As noted above, the ongoing agricultural operations will include irrigated farmlands for the beneficial reuse of treated effluent. Additionally, the proposed buffer around the facility will maintain existing ag-related lands to help maintain compatibility with adjacent farm and grazing lands. Additionally, the availability of additional water for irrigation of crops will help entice continued agricultural use of the property as potential crop yields are increased.

Staff: The proposed use, and secondary uses, in this application will constitute a continuance of agriculture in Cascade County and maintenance of existing farm and grazing lands surrounding the project site. The reuse of waste products to support farmland will support agriculture and long-term development could positively impact agricultural producers in the area.

- B. *Preserve Cascade County's scenic beauty and conserve its forests, rangelands and streams, with their abundant wildlife and good fisheries.*

Applicant: The property at which the proposed MFP project will occur is currently utilized for both livestock grazing and farming which will be maintained to the greatest extent possible following the development. Available land following the project development will continue to be utilized for farming activities to both preserve the existing land use as well as provide an optional location for the beneficial reuse of treated effluent via spray irrigation. No streams or existing fisheries will be impacted by the proposed project.

Staff: The proposed use will utilize a portion of the tract it sits on and the remaining land will continue to be available as rangeland or farmland, excluding the site of Big Sky Cheese and associated wastewater treatment areas. There are no forests, fisheries, streams or riparian zones on the subject property, and wildlife is unlikely to be significantly impacted by this development. The Cascade Conservation District was solicited for public comment but has not provided a response as of writing this report. Montana Fish Wildlife and Parks (FWP) was also solicited for interested agency comment and has provided comment addressing potential impacts on grizzly bears, listed as threatened under the Endangered Species Act. FWP recommends that the "proposed project should avoid attracting grizzly bears and other wildlife ... such as planting native landscaping that will not act as an unnatural attractant for wildlife such as bears." Staff recommends that any proposed Landscaping plan incorporates native

vegetation (Condition 14). FWP's full comment is available in the Board packets.

- C. *Preserve Cascade County's open space setting by encouraging new development to locate near existing towns and rural settlements and by discouraging poorly designed, land subdivisions and commercial development.*

Applicant: As noted previously, the project is agriculturally based and the developed parcel will house the proposed structures, wastewater treatment and storage system components, and farmland for the beneficial reuse of treated effluent; therefore, developing the project adjacent to an existing town was not feasible. The project does include large areas of open space and farmland which will maintain the County's existing open space setting. As noted above, the facility will be located near the center of the large property and a minimum of one mile from any existing residence which will help minimize any encroachment on surrounding properties. The development is being designed by a team of trained professionals who specialize in large-scale developments, subdivisions, and processing plants of this nature.

Staff: The proposed use is located in an agricultural area between the cities of Great Falls and Belt, and in an area that is broadly characterized by intermingled agricultural operations, rural residences, and townsites. Any new development, including the cultivation of land, can have a negative impact on the environment, ecological character, or open-space of an area, however Staff has not found that this proposal will have a significant impact on this objective. Maintaining land surrounding the project site as rangeland and farmland will help reduce impact on this objective and preserve open space.

- D. *Assure clean air, clean water, a healthful environment and good community appearance.*

Applicant: The design firms retained for the distillery have been tasked with creating aesthetically appealing design features, as well as incorporating native plant species and strategic placement of buildings to take full advantage of the natural contours that are considered central features to the property. The development plan will include design measures directly targeted at mitigating odors, noise, and light pollution. The principals of MFP are committed to planning and design concepts, construction materials and landscape features to ensure that clean air, water and a healthful environment are maintained during construction as well as after the distillery is in full operation.

Staff: Permitting requirements of State agencies will help to assure the preservation of clean air, clean water, and a healthful environment. The CCZR do not address either landscaping requirements, or design standards for new construction, however the “good community appearance” could be construed to fall under the purview of County Ordinances 06-01C and 06-03C, which address Community Decay, Littering, and Junk Vehicles. Staff has not found any cause to find that the applicant would not properly maintain their property, as the appearance and upkeep of a business’s premises relates directly back to a customer, clients, or supplier’s perception and expectations of that business.

E. Support the development of natural resources including but not limited to timber, mining, oil and gas production, and renewable energy production.

Applicant: *While MFP will not directly support development of timber, mining or oil & gas production, renewable energy options are being considered for the property if and when deemed feasible.*

Staff: The use will not support this objective through natural resource development, however is not expected to have a detrimental impact either. Renewable energy development on-site will support this objective if implemented.

F. Continue to work with federal and state agencies to redevelop properties within Cascade County which are currently undergoing Superfund and Brownfields process.

Applicant: *The project is not located in an area undergoing Superfund or Brownfield processes.*

Staff: Staff concurs with the applicant’s assessment.

GOAL 3: Maintain Agricultural economy

A. Protect the most productive soil types.

Applicant: *Refer to the attached NRCS soil report. As shown on the soil report, portions of the property acquired by MFP are considered Prime Farmland or Farmland of Statewide Importance. As noted above, a large portion of the site will, following development of the distillery, continue to be utilized for agricultural activities. Additionally, the development will encourage continued use of existing farm and rangeland within Cascade County and the surrounding area.*

Staff: Based on the National Resources Conservation Service’s Custom Soil Resource Report, the portion of the property chosen for the project site is classified as Darret-Castner complex, 2 to 8

percent slopes, and is not considered prime farmland or farmland of statewide importance. Remaining portions of the land will continue to be utilized for agricultural operations, including the areas of prime farmland. Staff has found that this proposal will be in general compliance with this objective.

B. Continue to protect soils against erosion.

Applicant: During construction activities, the site will be required to meet Montana DEQ standards for erosion protection through the general construction storm water permitting process. A storm water pollution prevention plan (SWPPP) will be prepared by properly trained and certified personnel, and temporary Best Management Practices (BMPs) will be implemented onsite to minimize erosion during the course of construction and to prevent adverse impacts to receiving waters (i.e. Missouri River). Following construction, permanent BMPs will be implemented so as to minimize erosion on slopes within the steeper portions of the property while agricultural activities will remain on other open spaces within the property which will effectively protect against erosion.

Staff: Marginal impacts to soil erosion are anticipated. The applicant will be required to ensure compliance with Montana DEQ requirements and regulations, further supporting the addition of a recommended condition to ensure compliance with DEQ permitting.

C. Protect the floodplain from non-agricultural development.

Applicant: The proposed project is located outside of the FEMA flood map boundaries; however, it appears as though the lower portion of Antelope Coulee is included within the 100-year floodplain at its intersection with Sand Coulee Creek (refer to attached excerpt from FIRM panel 30013C0634E). Due to the steep banks of Antelope Coulee within the vicinity of the subject property, it is not anticipated that the floodplain is extensive within the subject property. Work activities will not occur within the active streambed or within the floodplain, and the creek will be protected from non-agricultural development.

Staff: Staff concurs with the applicant's assessment. The site of the proposed use is outside of the mapped FEMA regulated floodplain. The chosen site is well above the base of Antelope Coulee and no floodplain impacts, regulatory or otherwise, are anticipated.

D. Support the development of value-added agricultural industry in Cascade County utilizing the products from the regional area.

Applicant: As noted previously, the intent of the proposed project is to develop a distillery that will initially be used for importing, bottling, sealing, packaging, storing, and shipping of liquors/spirits. The distillery will eventually be expanded to produce certain liquors/spirits onsite using locally-produced grains that are generated by area producers, thereby directly supporting the value-added agriculture industry.

Staff: At later phases of development, the proposed use will directly support the development of value-added agricultural industry in the County by converting raw agricultural commodities into spirits and liquors, a value-added agricultural product. Local and regional agricultural commodity producers are expected to be in a unique position to take advantage of economic opportunities this proposal will afford.

GOAL 4: Retain the presence of the US Military in Cascade County.

Objectives:

- A. *Encourage the federal congressional delegation to actively support maintaining the current mission status at a minimum.*

Applicant: While the applicant's proposed development will not directly impact the US Military's operations in Cascade County, the applicant recognizes the importance and value of the current military missions and what they mean to the County and Northcentral Montana. The applicant will take an active role in local civic duties and responsibilities, as managers and employees of the plant become acquainted with and involved in the Great Falls business community (i.e., Great Falls Chamber of Commerce, Military Affairs Committee, etc.). Additionally, the location of MFP is strategically located to not adversely impact the existing or future missions at MAFB.

Staff: The proposed development should not have any impact on the presence or mission of Malmstrom AFB in Cascade County. Malmstrom is approximately six miles away and the nearest launch facility is approximately nine miles away. The project does lie within the Height Military Overlay District restricting development that exceeds 500 feet above the height of the helicopter runway, as discussed previously.

- B. *Promote the location of additional military missions in Cascade County.*

Applicant: The applicant hereby pledges its support to Cascade County in promoting additional military missions in Cascade County. Also, please see response to Goal 4 Objective A above.

Staff: Staff has not found that this proposal will have any impact on this objective.

- C. *Encourage the reactivation of the runway at Malmstrom Air Force Base for fixed wing operations.*

Applicant: *The applicant hereby pledges its support to Cascade County in reactivating the runway at MAFB for fixed wing operations. Also, please see response to Goal 4 Objective A above. The distillery will not have any impact on the possibility of reactivating the runway. All components of the development will comply with the Military District Overlay requirements.*

Staff: Staff has not found that this proposal will have any impact on this objective.

- D. *Refer to the Joint Land Use Study for resolving conflicts and promoting mission compatible development.*

Applicant: *The applicant hereby acknowledges there are certain building placement and height restrictions adjacent to and in the vicinity of Malmstrom Air Force Base. Such restrictions are further defined within the Joint Land Use Study. The applicant is prepared to resolve any potential conflicts so as to ensure mission-compatible development. The subject property is located within the Outer Horizontal Surface as detailed within the Joint Land Use Study and therefore vertical obstructions cannot exceed 500 feet tall from the established airfield elevation which should pose no design challenges to the distillery. Also, please see response to Goal 4 Objective A above.*

Staff: Staff has not found that this proposal will have any impact on this objective or goal. Malmstrom AFB has been provided an interested agency notice but has not provided comment.

GOAL 5: *Preserve and enhance the rural, friendly and independent lifestyle currently enjoyed by Cascade County's citizens.*

Objectives:

- A. *Maintain Cascade County's citizens independent lifestyle and minimize local governmental intervention, to the extent possible, consistent with the requirements of a continually evolving economy and constantly changing population.*

Applicant: *The proposed project will not impact the County's citizen's independent lifestyle and will not require local governmental intervention.*

Staff: The proposed use will provide employment for up to eighteen (18) fulltime employees and thus facilitate independence for those citizens. The distance of this proposed use to other residences mitigates potential impacts to other Cascade County citizen's independence. The consideration regarding local governmental intervention is best addressed by focusing staff and board review to project considerations as they relate to the CCZR as narrowly as feasibly possible.

- B. *Preserve and promote Cascade County's rich cultural heritage, rooted in natural resource development and reflected in its numerous cultural/historic sites and archaeological areas.*

Applicant: *As noted previously, the principals of MFP are committed to making a significant investment in bringing green technology to the property. This commitment to green energy will reduce the natural impacts associated with the project and will help maintain the existing natural resources. Additionally, to the greatest extent possible, the treatment of process wastewater and reuse of effluent will allow MFP to recycle and beneficially use the water for agricultural purposes. The proposed project will be located on previously cultivated ground which will minimize the potential for impacting existing historical or archaeological sites. The Montana State Historical Society (SHPO) was contacted regarding potential cultural resources at the proposed project site and their response stated that no cultural resources were located within their files for the property. Per the SHPO response letter, "As long as there will be no new ground disturbance or alteration to structures over fifty years of age we feel that there is a low likelihood cultural properties will be impacted."*

Staff: The proposed use could have a positive impact towards preserving the county's cultural heritage of natural resource development in later phases of operation through the onsite processing of agricultural commodities into value-added agricultural products. Through the State Historic Preservation Society's analysis of the property indicating a lack of cultural resources, staff finds that this objective is reasonably clear of potential adverse impacts.

- C. *Promote fire prevention measures throughout the county, giving special emphasis to the extreme fire hazards present at the wild land/urban interface.*

Applicant: *The project will incorporate onsite storage and pumps to provide onsite fire prevention measures to the structures. Additionally, the onsite fire storage may be available for adjacent properties in the event of emergencies, if necessary, as a hydrant can be placed onsite*

for local fire department use. The fire storage which may be used for regional firefighting activities will benefit all residents and land owners in the general vicinity of the project.

Staff: The property is not located in the wildland-urban interface (WUI). The applicant plans to install on-site fire suppression and State Building Codes establish minimum requirements for fire suppression systems for a business of this type. Staff finds that this objective is reasonably satisfied.

D. Encourage the continued development of educational programs and facilities, recreational opportunities and spaces and health services for all county residents.

Applicant: The principals of MFP intend to develop training and apprenticeship opportunities with Montana State University and other educational institutions to aid in the preparation of local residents for job opportunities offered at MFP. These educational programs will also work to educate the community on the MFP and its operation. While the project will not directly impact the development of educational programs and facilities, recreational opportunities and spaces, and health services, it will help the County continue to develop those programs and opportunities for the County's residents through the added tax base and the additional budget available through the collection of those taxes.

Staff: Should the applicant develop training and apprenticeship programs with educational institutions this objective will be directly supported by this proposal. In the absence of such programs, staff has not found that this proposal would have a detrimental impact on educational programs and facilities, recreational opportunities and spaces, or health services.

Section 10.7 Operations

Operations in connection with the Special Use permits shall not be more objectionable to nearby properties by reason of noise, fumes, vibrations, or flashing lights, than would be the operation of any permitted use.

From the application information submitted, this operation could be more objectionable to nearby properties by reason of noise, fumes, vibrations or flashing lights than any permitted use. This project is proposed to be contained within a structure that will house the processing operations, and staff finds this would be less disruptive than a normal agricultural operation, or other permitted principal uses in the agricultural district, such as a riding and roping arena, a Commercial dairy, or a power plant producing up to 1 megawatt. Additionally, staff finds that this project would be less objectionable than other permitted special uses, such as a quarry, major or

minor utility installations, a junk yard/salvage yard, outdoor sports and recreation/outdoor entertainment, or motorized sports entertainment.

Motions:

The following motions are provided for the board's consideration:

Alternative 1: Move the Special Use Permit to allow a Distillery on Parcel 0005348300, Geocode 02-3017-34-4-02-01-0000, legally described as Section 34, Township 20 North, Range 05 East, W ½ E ½, in SE ¼ SE ¼, in E ½ NW ¼, Less Certificate of Survey 4803, Mk F be **denied** (ZBOA member proposing denial must delineate legal reason that the application be denied); or

Alternative 2: Move the Board adopt the staff report and findings of fact and **approve** the Special Use Permit for a Distillery on Parcel 0005348300, Geocode 02-3017-34-4-02-01-0000, legally described as Section 34, Township 20 North, Range 05 East, W ½ E ½, in SE ¼ SE ¼, in E ½ NW ¼, Less Certificate of Survey 4803, Mk F subject to the following conditions:

1. The applicant obtains a Driveway Approach Permit from the Montana Department of Transportation ("MDT") and completes a Transportation Impact Study (TIS) if required by MDT, and allows the MDT to relocate the intersection if it is deemed necessary.
2. The Applicant shall comply with and obtain all necessary approvals from the Montana Department of Natural Resources and Conservation concerning the development and use of the water resources to be utilized by the proposed development.
3. The applicant obtains approval from the City-County Health Department ("CCHD") and Montana Department of Environmental Quality ("MDEQ") for a new public water supply/wastewater system. The Board requests the MDEQ consider requirements for the wastewater ponds to be lined. In the event, MDEQ requires periodic monitoring reports of either the public water supply or wastewater system, the Applicant is required to provide a copy of any such report(s) to the CCHD Environmental Health Division within 10 days of submitting to MDEQ.
4. The applicant obtains Montana DEQ general permit for stormwater discharges associated with construction activity and, after construction, installs required onsite detention basins for storm water runoff as part of a storm water pollution prevention plan.

5. The Applicant obtains any other county, state, or federal permits required by the respective agencies for the legal operation of the proposed use.
6. The applicant adheres to all relevant building code requirements established by the Department of Labor and Industry.
7. All outdoor activities must be compliant with activities allowed in the Agricultural District without the issuance of a special use permit.
8. All setback requirements for the A District must be followed.
9. Outside storage must be fully screened to conceal work equipment or materials not stored inside.
10. No structure extends into the Height Military Overlay District.
11. Outside lighting is to be designed to avoid light pollution with the goal of being dark sky friendly or dark sky compliant if possible.
12. Applicant shall install an onsite fire suppression system meeting Montana State Building Code requirements and obtain a letter from the Sand Coulee Volunteer Fire Department stating their belief that the onsite fire suppression system is adequate to ensure fire protection for the subject parcel.
13. Applicant is compliant with all necessary licensing under Title 16 MCA.
14. Landscaping and fencing is established in accordance with guidance provided by Montana Fish Wildlife and Parks.
15. Applicant obtains Nutrient Management Plan through Department of Environmental Quality, if applicable.

Attachments:

- Special Use Permit Application Package (Project Overview & Abstract, Project Operational Statement, SUP Criteria Responses, Project Exhibits, SUP Criteria Supporting Information, L/C Permit Application.)
- Copy of Section 7.2.4 of the Cascade County Zoning Regulations
- Public Comments
- Spreadsheet Summary and Analysis of Public Comments
- Interested Agency Comments

cc: Madison Food Park, LLC – Silver Falls Distillery, Inc.
Big Sky Civil & Environmental