

Chaudhari Family Limited
Partnership
c/o Darrell Jones
District 7

RESOLUTION NO. 32926

A RESOLUTION AUTHORIZING DAM WHISKEY CORPORATION TO OPERATE AN INTOXICATING LIQUORS MANUFACTURING PLANT AND APPROVING A SPECIAL EXCEPTIONS PERMIT FOR AN ALCOHOL DISTILLERY, SMALL AT 1437 MARKET STREET.

WHEREAS, Darrell Jones has applied to operate a distillery as a lessee of property located at 1437 Market Street owned by the Chaudhari Family Limited Partnership, more particularly described in the Site Plan attached hereto; and

WHEREAS, pursuant to T.C.A. § 57-2-102, the proper authorities of a municipality are required to authorize the operation of an intoxicating liquors manufacturing plant in order for the plant to receive a license from the State; and

WHEREAS, the property located at 1437 Market Street is zoned U-SH-4 which allows the operation of a distillery upon issuance of a Special Exceptions Permit;

NOW, THEREFORE,

SECTION 1. BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That Darrell Jones is authorized to operate an intoxicating liquors manufacturing plant at 1437 Market Street; and

SECTION 2. BE IT FURTHER RESOLVED, That there be and is hereby granted a Special Exceptions Permit for an alcohol distillery, small on property located at 1437 Market Street.

ADOPTED: June 23, 2026

KCM/mem



LIQUOR STORE / DISTILLERY SITE REVIEW

TO: Chattanooga City Council & Office of the City Attorney

FROM: Executive Director, Chattanooga-Hamilton County Regional Planning Agency

DATE: 06/05/2026

SUBJECT: Proposed Site Review for Distillery - Special Permit Application

Date Application Filed with Treasurer and Marked Complete: 05/26/2026

RPA 30-Day Report Deadline: 06/25/2026

Mandated City Council Vote Deadline (60 Days per Sec. 5-122): 07/25/2026

I. GENERAL PROPERTY & APPLICANT INFORMATION

- **Case Number:** 1437 Market St
- **Property Address:** 1437 Market St, Chattanooga, Tennessee, 37402
- **Tax Map Number(s):** 145L B 011
- **Applicant Name / Entity:** Joseph Chaudhari (Chaudhari Family Limited Partnership)
- **Current Zoning District:** U-SH-4 (Urban Storefront Context Zone)
- **Proposed Use Type:** Distillery (Subject to provisions of Sec. 5-110)

Site Images

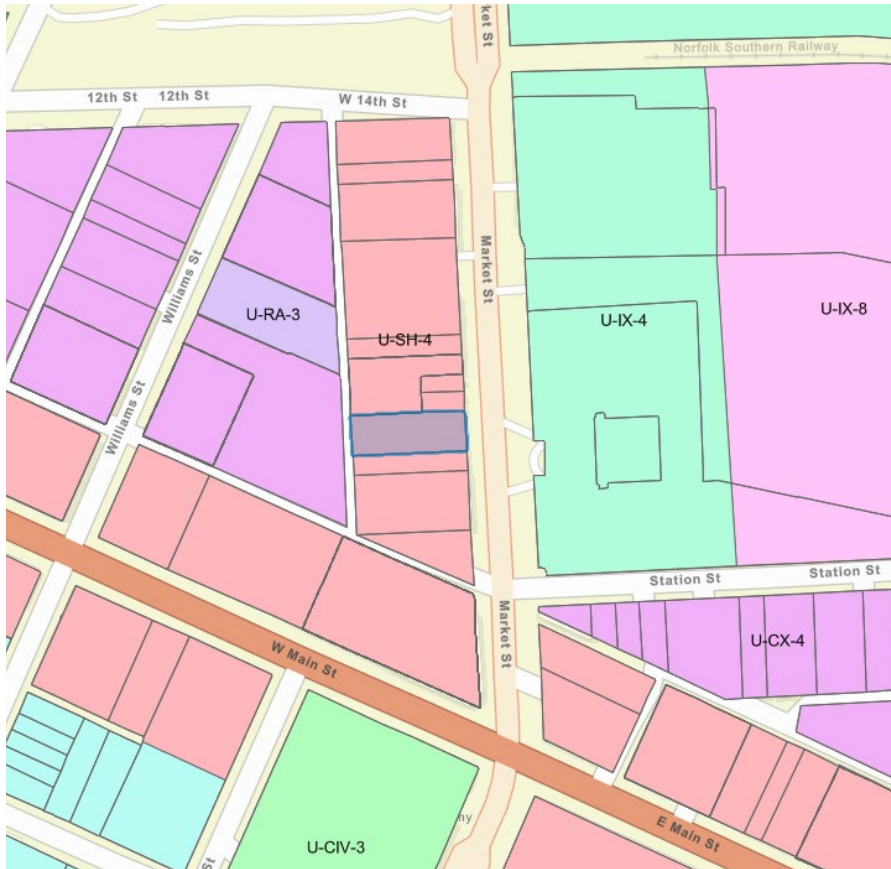
Arial view with subject property boundaries noted:



Street view of subject property:



Aerial view with zoning noted:



II. EXECUTIVE SUMMARY

Staff Summary: The applicant is seeking a special permit to operate a craft distillery within an existing interior footprint of 2,656 square feet at 1437 Market Street. The subject property functions as a shared, historic multi-tenant building envelope; the adjacent unit (1439 Market Street) has housed the Chattanooga Whiskey Experimental Distillery since it was originally permitted and established in 2014.

Based on a comprehensive review of statutory distance rules and the submitted materials, the application meets the requirements of City Code Section 5-110. Furthermore, because site is located within the Urban context area of FBC which does have required parking minimums per Section 38-741(1)(A), and it is not increasing it's GFA, is relieved from off-street vehicle parking minimums per Section 38-741(D). Therefore, any approval from City Council is subject to baseline code requirements and final engineering compliance.

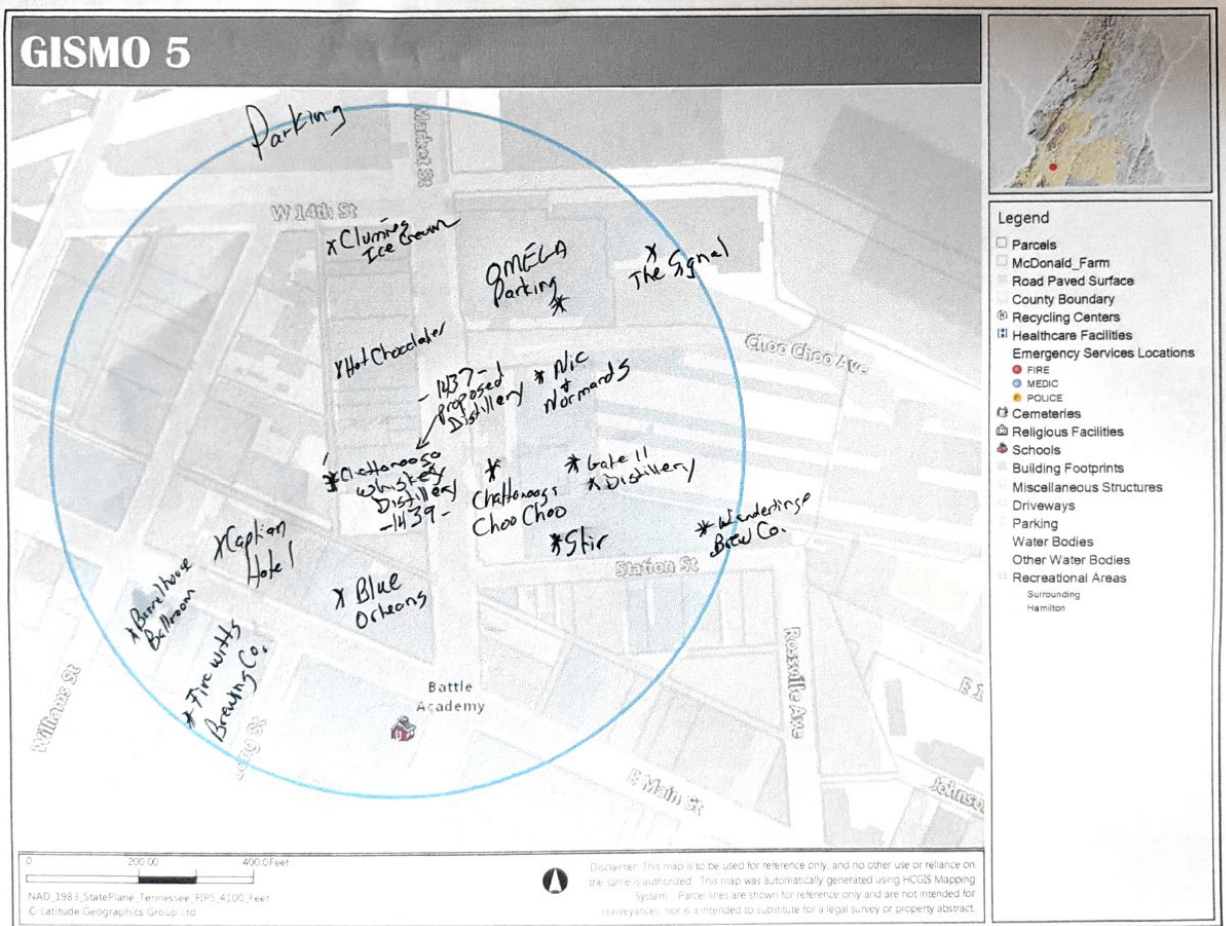
III. TECHNICAL SITE ANALYSIS

(Pursuant to Chattanooga City Code Part II, Chapter 5, Section 5-109(b)) The planning staff of the Chattanooga-Hamilton County regional planning commission shall conduct an analysis of the proposed liquor store site, which will include, but shall not be limited to, the following:

1. Land Use Survey of Surrounding Development (Within 600 Feet)

- **North:** Residential (Condominiums/Apartments)/ Office / Commercial (Chocolate & Ice Cream Shop / Retail)
- **South:** Commercial / Manufacturing (Chattanooga Whiskey Experimental Distillery, occupying the 1439 unit within the same building footprint; permitted in 2014)
- **East:** Commercial / Mixed-Use (Market Street Corridor / Choo Choo Complex)
- **West:** Commercial / Alley Access (Rear access / Multi-family / Parking structures)
- **Staff Narrative Context:** The proposed distillery will occupy the 1437 Market Street unit, an existing commercial structure that previously operated as a chocolate shop ("Hot Chocolatier"). Notably, this building functions as a dual-tenant historic property; the adjacent 1439 unit has housed the Chattanooga Whiskey Experimental Distillery since its permitting in 2014. The project does not propose a new footprint or exterior building buildout; operations will be fully contained within the existing 1437 interior structure, operating side-by-side with the established distillery next door.

Arial View (provided by the applicant) with Subject Property Boundaries Noted and the Land Use Survey of Surrounding Development (Within 600 Feet):



2. Off-Street Parking and Loading Facilities

(Pursuant to Sec. 5-109(b)(2) - Triggers review of parking capacity and circulation safety)

- **Does this application constitute a Change of Use?** Yes No
- **Is the site exempt or relieved from parking minimums? (Form-Based Code / C-MU1 / C-MU2)**
 - **YES (no GFA increase) – Proceed to ADA and Engineering comments below.**
 - **Total Spaces Required = 0**

● **Staff Code Evaluation:** Pursuant to Chattanooga City Code Sec. 38-741(1) (Division 9), change-of-use applications within the Downtown Form-Based Code Urban Storefront (U-SH-4) context not increasing the GFA are exempt from mandatory vehicle parking minimums. The applicant's official lease verification notes that zero (0) dedicated vehicle spaces are tied to the property leasehold.

- **ADA Accessibility:** **Compliant** Non-Compliant / Remediation Required

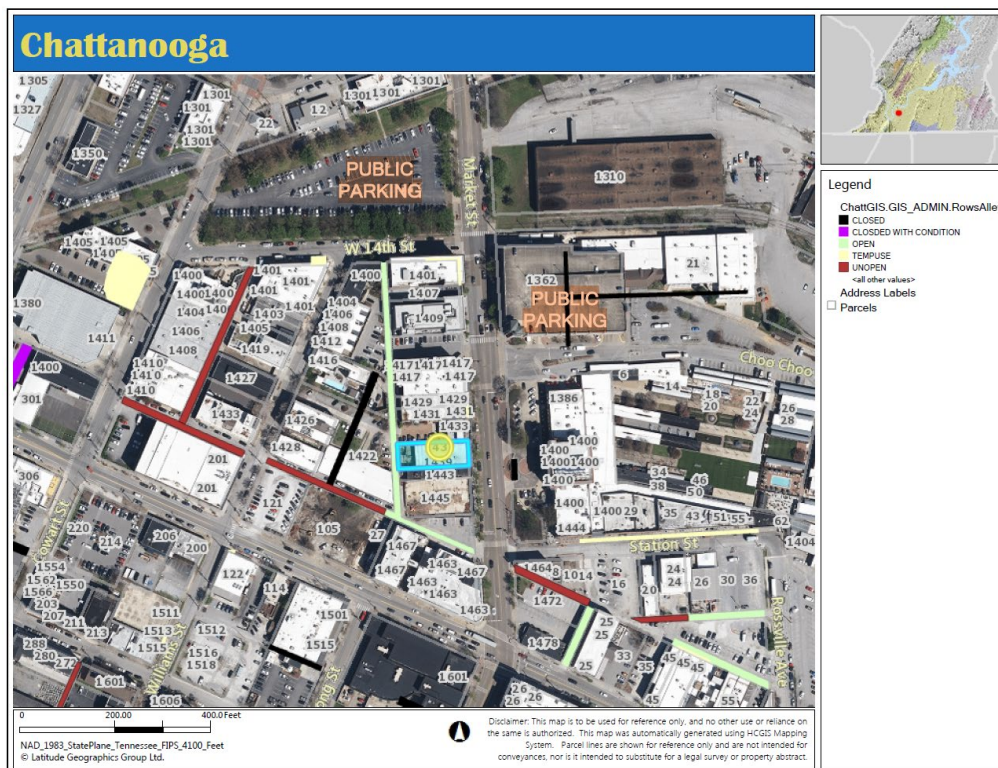
Staff Condition Note: *If definitive path dimensions, layout dimensions, or ADA markings are absent from the submitted site plan, the property owner/applicant shall coordinate directly with the Land Development Office and DPW Transportation to ensure the physical parking lot fully satisfies all*

municipal ADA accessibility and striping requirements prior to the issuance of a Certificate of Occupancy.

3. Proposed Points of Access (Ingress and Egress)

(Pursuant to Sec. 5-109(b)(3) - Triggers evaluation of curb cut limits and vehicle conflict points)

- **Are modifications to existing curb cuts or driveways proposed or required?**
 - **NO** – Existing access points are proposed to remain as-is.
- **Curb Cut Dimension / Policy Compliance:**
 - **Status:** [X] **Compliant / Grandfathered**
 - **Action Required:** [X] **Grandfathered** (Preserves the continuous urban pedestrian block face mandated by the Downtown Core principles)
- **Traffic Circulation Path:** Primary pedestrian access, retail sales, and public tasting traffic will enter through the historic street front facade on Market Street. Heavy raw material intake, barrel storage maneuvering, bottling operations, and product labeling will occur exclusively via the rear Alley network, completely segregating industrial and pedestrian conflict paths.
- **Public Works- Transportation - Access Safety Check:** Does the current circulation create an immediate traffic hazard? (e.g., vehicles forced to back directly onto a City street)
 - **NO** (All logistical backup and staging maneuvers are isolated within the rear alleyway network, mirroring the workflow established by the Distillery in Unit 1439 Market St.)
- **Arial View with Off-Street Parking and Loading Facilities:**
 - **Public on-street parking is also available in the immediate area.**



4. Lot, Yard, and Open Space Requirements

Minimum Lot Size Compliance: No minimum in zone.

Staff Code Evaluation: The subject property is located within the U-SH-4 (Urban Storefront) Context Zone of the Downtown Form-Based Code. Pursuant to Chapter 38 of the Chattanooga City Code, there are no minimum lot size, setback, or open space percentage requirements for existing building footprints within this context tier, as the zone is designed to encourage continuous, zero-lot-line historic street fronts. The proposed use operates entirely within the existing walls of the building.

5. Traffic Hazard Evaluation

- **Will a traffic hazard be created with this approval?** No traffic hazard will be created by this approval. The site functions with zero on-site vehicle parking spots under its current leasehold, effectively removing common vehicular conflict points such as localized surface lot drive aisles or structural curb cuts. High-density pedestrian traffic accessing the front retail and tasting room operations will safely utilize the existing public sidewalks along Market Street, while all secondary industrial deliveries and logistics will remain physically separated at the rear of the property.
- **Chattanooga Transportation Department Code Analysis:** The property is situated in an active urban storefront context with zero dedicated on-site parking spaces, the site completely avoids the risk of vehicles backing blindly onto Market Street. Back-of-house operational deliveries, barrel staging, and shipping activities will be conducted entirely via the rear Alley network. Per Chapter 38 standards, vehicles maneuvering within the public alleyway must execute movements safely without obstructing continuous thoroughfare traffic. The applicant is expected to manage logistical delivery schedules to prevent simultaneous staging conflicts with the co-located 1439 Market St Distillery unit.

IV. STATUTORY PROXIMITY & DISTANCE CHECKS

(Pursuant to Chattanooga City Code Section 5-108(a) and Ordinance No. 14167(1))

Statutory Distance Exemptions Check

Is the site exempt from distance restrictions? (Sec. 5-108(b) & (c))

- **YES** – The site is located within the Downtown Form-Based Code Boundary (zoning U-SH-4). Proximity checks are **not triggered**; distance minimums are recorded as **Exempt**.

Triggered Proximity Evaluation Table

(Measurements are evaluated on a straight-line basis from the nearest property line/leasehold line of the applicant premises to the nearest property line of the protected use)

Protected Site Category	Minimum Required Distance	Actual Measured Distance	Status (Pass / Fail / Exempt)
Place of Worship	200 Feet	N/A	Exempt
School (Nursery through 12th)	200 Feet	N/A	Exempt

Protected Site Category	Minimum Required Distance	Actual Measured Distance	Status (Pass / Fail / Exempt)
Day Care Center	200 Feet	N/A	Exempt
Recreational Park (Excluding Ornamental)	200 Feet	N/A	Exempt
Existing Retail Liquor Store	200 Feet	N/A	Exempt

Triggered Proximity Analysis Map

The 200-foot boundary around the proposed facility’s property/leasehold boundaries.

- Attached (Required if distance rules are triggered above)
- Omitted (Permitted if site is located within an exempt zoning district)

V. SPECIAL USE COMPLIANCE SECTION

Application Track: Distillery Track

Distillery Operational Restrictions (Sec. 5-110)

(Triggered exclusively for Distillery applications)

- **Zoning Compatibility: Zoned Appropriately** - Distilleries are permitted only on properties explicitly zoned C-C, C-MU1, C-MU2, I-H, or designated Downtown Form-Based Code Context Zones.
- **Third-Party Processing Restrictions Check (Sec. 5-110(a)(2) & (b)(2)):** Will the site process/bottle spirits not produced raw on-site by the designated distiller? **NO (Compliant)**
- **Downtown Core Activations Checklist (Sec. 5-110(b)(3)):**
 Is the property located within a Form-Based Code or C-MU zone?
 - NO – Checklist is **not triggered**.
 - YES – Checklist is **triggered**. The distillery must operate at least three (3) of the following activities on-site to maintain zoning compliance:
 - Raw growing/harvesting agricultural materials for internal production.
 - Direct retail sales of manufactured alcohol for off-premise consumption.
 - Retail sales of branded merchandise.
 - Public tasting room operations for sampling house-distilled products.
 - Hosting hosted special events (e.g., weddings, social occasions).
 - **Total Checked Activations: 4 (Compliant – Meets municipal threshold of 3 or more)**

VI. ADMINISTRATIVE & INTENT REVIEW

(Pursuant to Chattanooga City Code Section 5-109(c)) The executive director shall submit the findings of the staff of the Chattanooga-Hamilton County regional planning commission to the city council for consideration and action. This report is to include, but is not limited to, the following areas of concern noted in the following items numbered 1, 2, & 3.

1. Probable Effect on Adjacent Properties

Staff Narrative Assessment: The proposed use is identical in functional character to the adjacent Chattanooga Whiskey Experimental Distillery, which was permitted in 2014 and shares the 1439 side of the exact same physical structure. This is an adaptive reuse of an existing structure and the applicant is conducting four complementary activities, intended to activate the proposed use, to maintain zoning compliance.

2. Consistency with Public Health, Safety, Morals, and General Welfare: [X] Consistent

3. Additional Agency Specific Conditions - Additional requirements which are needed in order to make the development more compatible with the surrounding land use. (Pursuant to Sec. 5-109(c)(3). - Enter "None" if proposal meets all baseline requirements)

- **Condition 1:** (ADA Pedestrian Remediation): If definitive path dimensions, layout dimensions, or ADA markings are absent from the final interior architectural layouts, the property owner/applicant shall coordinate directly with the Land Development Office and DPW Transportation to ensure pedestrian pathways fully satisfy all municipal ADA accessibility requirements prior to the issuance of a Certificate of Occupancy
- **Condition 2:** (Logistical Delivery Management): The applicant must actively manage and coordinate back-of-house logistical delivery schedules, barrel staging, and shipping activities within the rear Alley network to prevent simultaneous staging conflicts with the co-located 1439 Market St Distillery unit.