A BROWNFIELD SPOTLIGHT

BARREL HOUSE DISTILLING CO.

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An old distillery takes on new life, providing jobs and tax revenue and becoming a tourist point of interest.

Barrel House Distilling Company Gift Shop entrance

Kentucky has long been famous for its fine bourbon, produced by a large number of distilleries around the Commonwealth. While some of those facilities are companies that have been operating for decades and have hundreds of employees, others are recently established craft distilleries with a few employees and many tasks done by hand.

The old James Pepper Distillery, which was located on nearly 28 acres on Manchester Street beside the Town Branch in Lexington, was founded in 1878. The distillery was one of the largest in the area. It had approximately 40,400 square feet of floor space and 22,500 square feet of warehouse space, with the capacity to produce 50 barrels of whiskey a day and 11,000 barrels per year.

After James Pepper's death around 1908, the distillery was a sold a couple of times to other distillers, suffered a devastating fire to some of its structures, but continued to operate as a distillery until 1958. Some of the facility's buildings then served as warehouses until 1976, when they were converted to other uses. However, most of the buildings were vacant until 2008.

A local developer and his ownership group purchased the entire distillery complex in the early 2000s. Since the site was a brownfield, the developer had an initial assessment done through state agencies, and the property was cleaned to prepare it for sale. Jeff Wiseman and Peter Wright wanted to establish a craft distillery and were interested in the Manchester Street site because they did not want to locate their business in heavy residential areas due to the flammable nature of their products.

Wiseman and Wright leased part of the old Pepper Distillery property for a couple of years before they purchased the site where they established the Barrel House Distilling Company in 2008 and opened it to the public in 2010. The small, hands-on business is located in the building that once served as a barrel

Key to Success

Reusing brownfield sites has turned eyesores into assets for communities. Brownfields have been transformed into parks, fire stations, golf courses, community centers and businesses to benefit citizens.

house for the James Pepper Distillery.

Robert Downing, Business Development Director and Operations Manager for the Barrel House, said the assessment and cleanup were handled by the property's developer prior to Wiseman and Wright acquiring the property, so the current owners had minimal interaction with state assessment agencies in that regard. The owners spent approximately six months on the final cleanup of the building itself in order to make it fully operational as their distillery site. No financial assistance or grants were received by Wiseman and Wright as incentive to use the property as their distillery site.

"The knowledge that there had been an assessment performed on the property prior to our purchase was a great comfort to us," said Wiseman and Wright. "There are a great many costs that go into the establishment of a craft distillery like ours, so knowledge that the property had already been assessed and the cleanup performed went a long way in assuring us that this property was the right one for our business."

Wiseman and Wright worked with local architects and fire safety professionals to ensure that the dated fire suppression, ventilation and wiring systems were all fully functional and up to code. So even though the assessment and other cleanup work had been done prior to their purchase, there was still some initial work that had to go into the property. But part of the once-abandoned old James Pepper Distillery was repurposed for use as a distillery again, making the site productive, providing jobs and tax revenue and spurring further development on other areas of the property.

"People are thrilled about the revitalization," said Downing. "It has attracted complementary businesses, such as the Break Room Bar, Ethereal Brewing, Crank & Boom Ice Cream Parlor, Middle Fork Kitchen Bar and Kentucky Knows, an art studio where reclaimed bourbon barrels are used in the art. Two more businesses will be coming soon. It's nice that these historic buildings are being put to use."

Left: The 150-gallon copper pot still

Right: Spirits age in the warehouse section of the distillery.