

Detailed Overview of the Opportunities for Microbreweries, Distilleries and Wineries Project

Breweries and manufacturing of alcoholic beverages are typically accommodated under the General Industrial use definition in Zoning Bylaw 12800. Prior to 2014, the Alberta Gaming and Liquor Commission required that breweries have a minimum production capacity of 500,000 litres per year. This capacity requirement meant breweries were typically large industrial facilities appropriately situated in industrial zones, located away from commercial main streets and the downtown. In 2014, the Alberta Gaming and Liquor Commission removed minimum production capacity requirements for breweries, which enabled small scale breweries. As a result there is growing interest to establish small breweries and distilleries that could be accommodated in typical buildings found in commercial zones and on main streets.

Brewpubs, where beer is manufactured and sold for consumption on-premises and off-premises, have been accommodated by combining the following uses: General Industrial Use or Creation and Production Establishment; Restaurant, Bar and Neighbourhood Pub, or Nightclub; and Minor Alcohol Sales or Major Alcohol Sales. Finding sites to accommodate the combined uses is challenging. Often the separation distances associated with alcohol sales restricts the ability for operators to secure a location that will allow them to sell the alcohol products they produce.

Proposed Zoning Bylaw 12800 Amendments

To enable the growth of a local craft brewing industry in Edmonton, the Breweries, Wineries and Distilleries use and associated Special Land Use Provisions are proposed, as shown in the mark-up below. Defining Breweries, Wineries and Distilleries as a distinct use from other General Industrial Uses allows them to be considered in commercial zones.

The proposed Breweries, Wineries and Distilleries use allows the following:

- manufacturing, packaging, bottling, canning and shipping of alcoholic beverages;
- sale of alcoholic beverages for consumption on-premises;
- sale of alcoholic beverages manufactured on-site for consumption off-premises;
- sale and preparation of food;
- private non-sale hospitality area where products manufactured on-site are provided to private groups for tasting and sampling; and
- ability to combine Breweries, Wineries and Distilleries use with Restaurant, Bar and Neighbourhood Pub, or Nightclub to increase allowable public space.

While the Breweries, Wineries and Distilleries use allows the retail sales of alcoholic beverages, the definition of the use restricts sales to products manufactured on-site to ensure these establishments can be differentiated from Minor Alcohol Sales or Major Alcohol Sales (liquor stores). As a result, the amendment does not contain separation distance requirements.

In the proposed amendment, Breweries, Wineries and Distilleries are generally listed as discretionary uses in commercial zones, permitted in industrial zones, and prohibited in residential zones, as shown in the mark-up below. Adding Breweries, Wineries and Distilleries as a discretionary use in commercial zones is the recommended method for managing a complex use that can occur in a variety of sizes, zones and contexts, with as few regulations as possible. As a discretionary use, the Development Officer is able to apply policy and discretion, and avoids the need for complex rules to manage a variety of scenarios.

The proposed amendment also contains a new section of Special Land Use Provisions to manage off-site impacts and ensure the compatibility of the development with its surroundings. Changes are required to the Whyte Avenue Commercial Overlay to allow Breweries, Wineries and Distilleries while being sensitive to the intent to restrict new and expanded Bars and Neighbourhood Pubs, and Nightclubs. Administration will monitor the effectiveness of these regulations and explore the opportunity to make the use permitted in more zones. The effectiveness of the notification to Business Improvement Associations will also be reviewed at a future date.

Corresponding plan amendments and rezonings will be undertaken to include the proposed Breweries, Wineries and Distilleries use in the Strathcona Historic Commercial area and in the Quarters. These applications will be presented to City Council at a future City Council Public Hearing. For additional information, please refer to the June 7, 2017, Sustainable Development report CR_3864.

Public Consultation

A four week circulation to internal and external stakeholders occurred on Friday June 9, 2017. The comments received from this circulation are summarized as follows:

- Internal stakeholders are supportive of the proposed amendments and have expressed support for the introduction of the Breweries, Wineries and Distilleries use.

Mark-up of Proposed Text Amendment to Zoning Bylaw 12800

Black Font	Existing Text in Zoning Bylaw 12800
Strikethrough:	Proposed deletion from Zoning Bylaw 12800
<u>Underline:</u>	Proposed addition to Zoning Bylaw 12800

Part I. Text Amendments

6.1(88) Public Space means space that is part of an establishment, which is open to the public and not restricted to only employees. Public Space includes any private non-sale hospitality area where products manufactured within the premises are provided to private groups for tasting and sampling. This definition does not include kitchens, administration offices, food or drink preparation areas;

7.4(6) Bars and Neighbourhood Pubs means development where the primary purpose of the facility is the sale of alcoholic beverages to the public, for consumption within the premises or off the Site. This Use typically has a limited menu and minors are prohibited from patronizing the establishment during at least some portion of the hours of operation. Typical Uses include neighbourhood pubs, bars, ~~beverage rooms~~, and cocktail lounges. This Use does not include Cannabis Lounges.

7.5(2) Breweries, Wineries and Distilleries means the manufacturing of beer, wine, spirits or other alcoholic beverages. This Use may include the sale of alcoholic beverages to the public for consumption within the premises. Retail sales of alcoholic beverages for consumption off-Site shall be limited to alcoholic beverages that are manufactured on-Site. Accessory activities may include the preparation and sale of food, and storage, packaging, bottling, canning and shipping of products manufactured within the premises.

820 Whyte Avenue Commercial Overlay

Rationale

6.1.88 - Inclusion of the term 'private non-sale hospitality area' in the Public Space definition aligns with provincial legislation (AGLC) and provides clarity for licensing.

7.4.6 - The Bars and Neighbourhood Pubs use is updated to remove 'beverage rooms' as this term is not used in the Zoning Bylaw.

7.5.2 The Breweries, Wineries and Distilleries Use eliminates the need for applicants to obtain permits for multiple combinations of uses.

Limiting alcohol sales to products only produced on site makes this Use distinct from Major Alcohol Sales and Minor Alcohol Sales and would not be subject to the 500 meter separation distance for Major Alcohol Sales and Minor Alcohol Sales.

820.1 General Purpose

The purpose of this Overlay is to prohibit new Bars and Neighbourhood Pubs, and Nightclubs; and to prohibit the expansion of existing Bars and Neighbourhood Pubs, and Nightclubs, while providing opportunities for Breweries, Wineries and Distilleries in the Whyte Avenue Commercial Area.

820.3 Development Regulations

4. Notwithstanding section 800.2, a Breweries, Wineries and Distilleries Use shall only be allowed in the area of application of this Overlay if:
- a. developed with a total Public Space, that does not exceed 80 m² or 30% of the total Floor Area, whichever is less;
 - b. developed in combination with a Restaurant; or
 - c. developed in combination with an existing Bar and Neighbourhood Pub or an existing Nightclub, provided the total Public Space, does not exceed the occupancy load and the Public Space specified in the existing approval for the Bar and Neighbourhood Pub or Nightclub.

99. Breweries, Wineries and Distilleries

Breweries, Wineries and Distilleries shall comply with the following regulations:

- 1. Breweries, Wineries and Distilleries may include a maximum total of 80 m² of Public Space, where beer, wine, spirits and other alcoholic beverages or alcoholic products are consumed within the premises.
- 2. Breweries, Wineries and Distilleries may be combined with a Restaurant, Bar and Neighbourhood Pub, or Nightclub to increase the maximum total Public Space. The total Public Space shall not exceed the total maximum combined Public Space of the

820.1 - To address and allow opportunities for Breweries, Wineries and Distilleries within the Whyte Avenue Commercial Overlay.

820.3.4 - To align with the intent of the Whyte Avenue Commercial Overlay to restrict new and the expansion of Bars and Neighbourhood Pubs, and Nightclubs.

820.3.4.a - To limit the potential of a Brewery, Winery or Distillery being developed as a de facto Bar and Neighbourhood Pub or Nightclub.

820.3.4.b - To encourage development with a Restaurant, where minors are not prohibited.

820.3.4.c - To align with the intent of the Overlay and not allowing the combination of Public Space for the Brewery, Winery or Distillery with a Bar and Neighbourhood Pub or a Nightclub.

99 - The Special Land Use Provision will provide direction to the Development Officer when reviewing a Development Permit application for a Brewery, Winery or Distillery.

99.1 - Limiting the Public Space to 80 m² is how breweries are regulated in other jurisdictions.

99.2 - To provide flexibility for a variety of business models, a Brewery, Winery or Distillery may be combined with either a Restaurant, Bar and

Breweries, Wineries and Distilleries Use and the Use it is combined with.

3. Any Outdoor Public Space shall not be located next to an Abutting Residential Use, existing at the time of approval.
4. Breweries, Wineries and Distilleries shall not generate odour, dust, waste or delivery traffic in excess of that which is characteristic of the Zone in which it is located.
5. There shall be no outdoor manufacturing activities, or unenclosed outdoor storage of material or equipment associated with the business.
6. When a Development Permit application is received for a Breweries, Wineries and Distilleries Use, and the Use is located within a Business Improvement Area, the Development Officer shall send notice of the application to the President of the affected Business Improvement Area Association.
7. The Development Officer shall consider Crime Prevention Through Environmental Design criteria by ensuring:
 - a. the exterior of all establishments have ample transparency from the street to allow natural surveillance;
 - b. exterior lighting shall be developed to provide a safe lit environment in accordance with Sections 51 and 58 to the satisfaction of the Development Officer;
 - c. Landscaping be low-growing shrubs or deciduous trees with a high canopy at maturity and that all foliage be kept trimmed back to prevent loss of natural surveillance; and
 - d. customer access to the store is limited to a store front that is visible from the street, other than a Lane, shopping centre parking lot or a mall access that allows visibility from the interior.

Neighbourhood Pub, or a Nightclub to increase the total maximum Public Space.

99.3 - To minimize the potential impact on adjacent Residential Uses, a Brewery, Winery or Distillery may not locate any outdoor Public Space next to an Abutting Residential Use.

99.4 - This allows the Development Officer to ask for more information related to odour, dust, waste or delivery traffic depending on the location and surrounding uses.

99.5 - This regulation is intended to minimize the potential impact of a Brewery, Winery and Distillery and to align with performance standards with the Zones this Use will be included.

99.6 - The intent of this regulation is to allow a Business Improvement Areas to make contact with the applicant.

99.7 - These regulations ensure that design of proposed development aligns with Crime Prevention Through Environmental Design principles.

541 (AN) River Valley Activity Node Zone

Appendix I - Fort Edmonton Park

3. Additional Development Regulations for Discretionary Uses

4. The Development Officer may approve a ~~custom brewery~~ *Breweries, Wineries or Distilleries Use* and up to two custom bakery facilities on the Site as accessory to the General Retail Stores Uses.

541 Appendix I 3.4 - The River Valley Activity Node Zone currently allows for a custom brewery. This update aligns this use with the proposed amendments.

Part II. Zones, Special Areas and Direct Control

Breweries, Wineries and Distilleries	Proposed Status
110 (RF1) Single Detached Residential Zone	Prohibited
115 (RSL) Residential Small Lot Zone	Prohibited
120 (RF2) Low Density Infill Zone	Prohibited
130 (RPL) Planned Lot Residential Zone	Prohibited
140 (RF3) Small Scale Infill Development Zone	Prohibited
150 (RF4) Semi-detached Residential Zone	Prohibited
155 (RMD) Residential Mixed Dwelling Zone	Prohibited
160 (RF5) Row Housing Zone	Prohibited
165 (UCRH) Urban Character Row Housing Zone	Prohibited
170 (RF6) Medium Density Multiple Family Zone	Prohibited
210 (RA7) Low Rise Apartment Zone	Prohibited
220 (RA8) Medium Rise Apartment Zone	Prohibited
230 (RA9) High Rise Apartment Zone	Prohibited
240 (RR) Rural Residential Zone	Prohibited
250 (RMH) Mobile Home Zone	Prohibited
310 (CNC) Neighbourhood Convenience Commercial Zone	Discretionary
320 (CSC) Shopping Centre Zone	Discretionary
330 (CB1) Low Intensity Business Zone	Discretionary
340 (CB2) General Business Zone	Discretionary
350 (CHY) Highway Corridor Zone	Discretionary
360 (CO) Commercial Office Zone	Discretionary
370 (CB3) Commercial Mixed Business Zone	Discretionary
400 (IB) Industrial Business Zone	Permitted
410 (IL) Light Industrial Zone	Permitted
420 (IM) Medium Industrial Zone	Permitted
430 (IH) Heavy Industrial Zone	Prohibited
510 (US) Urban Services Zone	Prohibited
520 (PU) Public Utility Zone	Prohibited
530 (AP) Public Parks Zone	Prohibited
531 (NA) Natural Areas Protection Zone	Prohibited
540 (A) Metropolitan Recreation Zone	Prohibited
541 (AN) River Valley Activity Node Zone	Prohibited
541 (AN) River Valley Activity Node Zone Appendix I - Fort Edmonton Park	Discretionary
550 (MA) Municipal Airport Zone	Prohibited

551 (MA1) Municipal Airport Airfield Zone	Prohibited
552 (MA2) Municipal Airport Business Industrial Zone	Prohibited
553 (MA3) Municipal Airport General Business Zone	Prohibited
560 (AJ) Alternative Jurisdiction Zone	N/A
570 (CS1) Community Services 1 Zone	Prohibited
571 (CS2) Community Services 2 Zone	Prohibited
572 (CS3) Community Services 3 Zone	Prohibited
573 (CS4) Community Services 4 Zone	Prohibited
574 (UI) Urban Institutional Zone	Prohibited
610 (AG) Agricultural Zone	Prohibited
620 (AGU) Urban Reserve Zone	Prohibited
630 (AGI) Industrial Reserve Zone	Prohibited
910.5 (CCA) Core Commercial Arts Zone	Discretionary
910.6 (CMU) Commercial Mixed Use Zone	Discretionary
910.7 (HA) Heritage Area Zone	Discretionary
910.8 (HDR) High Density Residential Zone	Prohibited
910.9 (JAMSC) Jasper Avenue Main Street Commercial Zone	Discretionary
910.10 (RMU) Residential Mixed Use Zone	Prohibited
910.11 (UW) Urban Warehouse Zone	Discretionary
910.12 (AED) Arena & Entertainment District Zone	Discretionary
920.4 (RPLt) Terwillegar Planned Lot Residential Zone	Prohibited
920.5 (RF4t) Terwillegar Semi-detached Residential Zone	Prohibited
920.6 (RF5t) Terwillegar Row Housing Zone	Prohibited
920.8 (TSDR) Terwillegar Single Detached Residential	Prohibited
920.9 (TSLR) Terwillegar Small Lot Residential Zone	Prohibited
920.10 (TMU) Terwillegar Mixed Use Zone	Prohibited
930.4 (EIB) Ellerslie Industrial Business	Permitted
930.5 (EIM) Ellerslie Medium Industrial Zone	Permitted
940.5 (GLD) Griesbach Low Density Residential Zone	Prohibited
940.6 (GVC) Griesbach Village Centre Zone	Discretionary
940.7 (RF5g) Griesbach Row Housing Zone	Prohibited
940.8 (RA7g) Griesbach Low Rise Apartment Zone	Prohibited
940.9 (GLG) Griesbach Low Density Residential with Garage Suites Zone	Prohibited
950.4 (CCHD) Clareview Campus High Density Residential Zone	Prohibited
950.5 (CCMD) Clareview Campus Medium Density Residential Zone	Prohibited
950.6 (CCLD) Clareview Campus Low Density Residential Zone	Prohibited
950.7 (CCSF) Clareview Campus Single Family Residential Zone	Prohibited
950.8 (CCNC) Clareview Campus Neighbourhood Commercial Zone	Prohibited
960.4 (RA7a) Ambleside Low-Rise Apartment Zone	Prohibited
960.5 (CSCa) Ambleside Shopping Centre Zone	Discretionary
960.6 (UVCa) Ambleside Urban Village Commercial Zone	Discretionary
970.6 (EETB) Edmonton Energy and Technology Park Business Park Zone	Prohibited
970.7 (EETC) Edmonton Energy and Technology Park Chemical Cluster Zone	Prohibited
970.8 (EETL) Edmonton Energy and Technology Park Logistics Zone	Prohibited
970.9 (EETM) Edmonton Energy and Technology Park Manufacturing Zone	Prohibited
970.10 (EETR) Edmonton Energy and Technology Park Industrial Reserve Zone	Prohibited
980 (HVLD) Heritage Valley Low Density Zone	Prohibited
990.4 (TC-C) Heritage Valley Town Centre Commercial Zone	Discretionary
995 (GHLD) Special Area Graydon Hill Low Density Residential Zone	Prohibited
997.7 (BP) Blatchford Parks Zone	Prohibited
997.8 (BRH) Blatchford Row Housing Zone	Prohibited
997.9 (BLMR) Blatchford Low to Medium Rise Residential Zone	Prohibited
997.10 (BMR) Blatchford Medium Rise Residential Zone	Prohibited

990.4 (TC-C) Heritage Valley Town Centre Commercial Zone

3. Discretionary Uses

a. Breweries, Wineries and Distilleries

Note: For information related to parking please refer to Attachment 3 - Detailed Overview of the Changing Minimum Vehicle and Bicycle Parking Requirements for Transit Areas, Main Street Areas, and Downtown Project.

990.4.3 - The Heritage Valley Town Centre Commercial Zone does not currently list any Discretionary Uses and requires an additional section to be added to this Zone to accommodate the Breweries, Wineries and Distilleries Use as a Discretionary Use.