

Report on Policy Options for Small Scale Breweries, Distilleries and Brewpubs

Planning Services Division

June 8, 2020

BACKGROUND

Small Scale Breweries, Distilleries and Brewpubs are a growing industry in Ontario, which complement other municipal goals such as tourism, local food and other local economic development initiatives.

These business combine traditional industrial functions (brewing, distilling) with service related functions such as restaurants and retail. As a result, issues arise within the City's Zoning By-law as to where these uses should be permitted.

To address this, Council directed staff to evaluate options for amending the City's Zoning By-law to establish a framework to accommodate small scale breweries and distilleries, including a review of best practices, and report back with findings and recommendations.

Based the above, staff commissioned a study to provide an overview of the types of policy frameworks and zoning regulations that are related to Breweries Distilleries and Brewpubs and provide policy options for the Council's consideration. The study also examined issues related to the Ontario Building Code and Fire Code.

The purpose of this report is to present the findings of the study and a recommended land use planning framework to accommodate Small and Large Scale Breweries, Distilleries and Brewpubs in Greater Sudbury.

Study Findings

The City commissioned the study entitled "Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs" (the "Study" - See Attachment A). The Study:

- Provides an overview of brewing and distilling processes and licensing requirements along with definitions;
- Describes how these uses currently fit within the land use planning framework in Ontario and the City of Greater Sudbury;
- Reviews how these uses are regulated by the Ontario Building Code and Fire Code;

- Undertakes a best practices review of how these uses are addressed in other Municipalities, and
- Provides recommendations on how the City's Zoning By-law could be amended to better accommodate these types of uses.

In general the Study found that breweries and distilleries should have separate definitions in the zoning by-law as opposed to the current practice of including them under a "food processing plant". Additionally, brewpubs should be further separately defined to reflect the commercial nature of the business and its dual uses of a small scale brewery and a restaurant.

With respect to the Ontario Building and Fire Codes, the Study examined the issues related to breweries and distilleries. The Study found that while these uses are similar, there are particular considerations specific to distilleries that are not applicable to breweries and, as a result, they are treated differently by the legislation. Generally, the Study found that the distilling process presents more hazards from a combustibility standpoint (regardless of scale) and, as such, distillery uses should be limited to industrial zones and should not be allowed in buildings with a residential use.

The Study also conducted a review of other municipalities that have created a planning framework for these emerging types of businesses, in order to support their development while also ensuring their compatibility with other land uses. The Study reviewed policies from Ottawa, Calgary, Toronto, Waterloo, Huron and Thunder Bay and found that, generally, they treated small scale breweries, distilleries and brewpubs separately from traditional large scale operations. Additionally, they recognized the restaurant and retail uses that are associated with the smaller scale uses and allowed them in traditional commercial zones.

Finally, the report provided zoning recommendations for the City of Greater Sudbury to consider in order to facilitate the development small scale breweries, distilleries and brewpubs while ensuring that they are developed safely and within suitable areas in a coordinated fashion. To that extent, the Study provided the following recommendations:

- Amend the Zoning By-law to include definitions for:
 - Small-Scale Brewing Facility (produces less than 50,000 hectoliters of beer per year);
 - Large-Scale Brewing Facility (produces more than 50,000 hectoliters of beer per year);
 - Distilling Facility, and
 - Brewpub (combines the uses of a Small Scale Brewing Facility and a Restaurant);

- Specify that Small Scale and Large Scale Brewing Facilities and Distilleries may be accompanied by:
 - A private hospitality area
 - A retail sales area
 - Special events and tours, and
 - An office for administrative purposes;
- Permit Small Scale Brewing Facilities and Brewpubs in the C2 to C7 Commercial Zones, the M1-1, M1, M2 and M3 Industrial Zones, the Agricultural Zone and the Rural Zone;
- Permit Large-Scale Brewing Facilities in the M1-1, M1, M2 and M3 Industrial Zones, and
- Permit Distilling Facilities in the M1, M2 and M3 Industrial Zones, Agricultural Zone and Rural Zones.

CONCLUSION/NEXT STEPS

Small Scale Breweries, Distilleries and Brewpubs represent a growing industry that supports local economic development and local food production. Council, recognizing this opportunity, directed staff to evaluate options for amending the City's Zoning By-law to establish a framework to accommodate small-scale breweries, distilleries and brewpubs, including a review of best practices.

The Study found that there are opportunities to modernize the City's Zoning By-law to facilitate the establishment of these businesses while ensuring that they are developed safely and within suitable areas in a coordinated fashion. These opportunities include creating new zoning by-law definitions for large-scale breweries, small-scale breweries, distilleries and brewpubs and permitting small scale breweries and brewpubs in a wider range of commercial zones.

Staff is generally supportive of the Study findings and recommends initiating a zoning by-law amendment for Council's consideration.

Attachments

- A. City of Greater Sudbury Policy Options for Small Scale Breweries, Distilleries and Brewpubs.