

Presented To:	Planning Committee
Presented:	Monday, Jun 08, 2020
Report Date	Tuesday, Apr 28, 2020
Type:	Managers' Reports

Request for Decision

Policy Options for Small Scale Breweries, Distilleries and Brewpubs

Resolution

THAT the City of Greater Sudbury directs staff to initiate an amendment to the Zoning By-law to incorporate a new framework for Large-Scale Breweries, Small Scale Breweries, Distilleries and Brewpubs as outlined in the report entitled “Policy Options for Small Scale Breweries, Distilleries and Brewpubs”, from the General Manager of Growth and Infrastructure, presented at the Planning Committee meeting on June 8, 2020.

Relationship to the Strategic Plan / Health Impact Assessment

Establishing a new planning framework for breweries, distilleries and brewpubs is consistent with the Business Attraction, Development and Retention strategic goal of the plan. Specifically, this report supports Sections 2.1 “Build Economic Development Initiatives to Support Existing Businesses, Attract New Businesses and Promote Entrepreneurship “Strengthen Business and Development Processes and Services to Support Business Growth”.

Report Summary

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. A study was commissioned to accomplish these directives.

The Study found that there are opportunities to modernize the City’s Zoning By-law to facilitate the establishment of these types of 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.

Signed By

Report Prepared By

Kris Longston
Manager of Community and Strategic Planning
Digitally Signed Apr 28, 20

Manager Review

Kris Longston
Manager of Community and Strategic Planning
Digitally Signed Apr 28, 20

Recommended by the Division

Jason Ferrigan
Director of Planning Services
Digitally Signed May 8, 20

Financial Implications

Apryl Lukezic
Co-ordinator of Budgets
Digitally Signed May 14, 20

Recommended by the Department

Tony Cecutti
General Manager of Growth and Infrastructure
Digitally Signed May 15, 20

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
Digitally Signed May 27, 20

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

Financial Implications

There are no financial implications at this time.

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.

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs



City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

Table of Contents

1.0	Introduction	1
2.0	Breweries, Distilleries and Brewpubs Overview	1
2.1	Definitions	2
2.1.1	Brewery	2
2.1.2	Distillery	2
2.1.3	Brewpub	3
2.2	The Brewing / Distilling Process, an Industrial Operation.....	3
2.3	Licensing.....	5
2.3.1	Federal Licences	5
2.3.2	Provincial Licences – Breweries and Distilleries.....	5
2.3.3	Provincial Licences – Breweries only	6
2.3.4	Municipal Requirements	8
3.0	Provincial Legislation and Guidelines	8
3.1	Provincial Policy Statement, 2014	8
3.1.1	Provincial Policy Statement, 2020.....	9
3.2	Growth Plan for Northern Ontario	11
3.3	Ministry of Environment, Conservation and Parks (D-6 Guidelines).....	11
3.4	Ontario Building Code – Distilleries only	14
3.5	Ontario Fire Code – Distilleries only	15
3.6	Ministry of Agriculture, Food and Rural Affairs.....	16
4.0	Policy and Implementation Examples in Other Municipalities	16
4.1	City of Ottawa, Ontario	16
4.2	City of Calgary, Alberta	18
4.3	City of Toronto, Ontario	19
4.4	City of Waterloo, Ontario	21
4.5	Municipality of North Huron, Ontario.....	22
4.6	Municipality of Central Huron, Ontario	23
4.7	City of Thunder Bay, Ontario	24
5.0	Current City of Greater Sudbury Policy.....	25
5.1	Official Plan	25
5.2	Zoning By-law	26
5.2.1	Relevant Definitions	27
5.2.2	Zones	27
5.2.3	Parking and Loading Provisions.....	29
5.3	Site Plan Control	29
5.4	Sewer Use By-law 2010-188	30
6.0	Recommendations.....	30
6.1	General	30
6.2	Definitions	31
6.3	Appropriate Zones.....	32
6.4	Minimum Parking and Loading Requirements	34
6.5	Site Plan Control	34
7.0	Disclaimer	34

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

1.0 Introduction

The Brewing industry in Canada involves the production of alcoholic beverages, such as beer and malt liquor as well as non-alcoholic beers containing water, barley, hops, yeast and other occasional aids. The Canadian Spirits industry involves distilling grains, potatoes and sugars into spirits, such as rum, gin, liqueurs, vodka and whiskey.

These industries have grown rapidly in recent years, especially in response to the increased popularity of craft breweries and their unique ability to complement other operations such as, tourism, local food and related economic development initiatives. In the Province of Ontario there are almost 500 micro-breweries and distilleries.

These businesses often attempt to combine traditional industrial functions with those functions typical of restaurants or retail stores, or a combination of both. Municipal zoning by-laws, and licensing standards have been challenged to respond to the creation and expansion of these uses. Through zoning practices, Ontario municipalities have responded differently to these complicated and ever evolving industries. Most commonly, they have responded through site-specific amendments to permit these uses within urban, rural, commercial and industrial zones. In most cases a range of approaches have been developed to regulate the description of the use, the scale of operation, and the location and size of the structures that house brewing or distilling operations.

The links to Economic Development initiatives cannot be ignored, as breweries and distilleries represent entrepreneurial opportunities. Having said that, limitations found in the Ontario Building Code and Fire Code need to be assessed in order to provide direction on the settings that may be most appropriate for these uses.

The objective of this report is to provide the City of Greater Sudbury (City or Sudbury) with an overview of the types of policy frameworks and zoning regulations that are related to Breweries, Distilleries and Brewpubs. The report will provide policy options to the City, including potential strategies to amend the City's policy and zoning regulations which affect these industries.

2.0 Breweries, Distilleries and Brewpubs Overview

Breweries, distilleries and brewpubs are becoming increasingly popular throughout Ontario, as they contribute to tourism and create jobs along the supply chain. In recent years Sudbury has witnessed the rise of breweries, distilleries and brewpubs with differing business models. Current operations reside across the City at different scales and within different zones. Despite their rise in popularity, there are several questions that need to be addressed:

- 1) What are the differences between macro-, micro-, nano- and craft breweries; brewpubs; and macro-, micro-, and nano- distilleries?
- 2) What are the components of the brewing and distilling process that have an affect on their location?

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

- 3) How compatible are these uses with other land uses, especially those within the same building?
- 4) What policy direction does the Province provide regarding these uses?
- 5) How do other municipalities currently zone or regulate these uses?

2.1 Definitions

Operations within each industry are distinguished by the scale of their production. Each term applied to a brewery correlates to the total amount of their product that is produced and sold annually, as measured in hectolitres. 1 hectolitre (hL) is equal to 100 litres.

2.1.1 Brewery

As defined by the IBISWorld Industry Report 31212CA Breweries in Canada Report (2019) the Brewing operations in Canada involves the production of “alcoholic beverages, such as beer and malt liquor as well as non-alcoholic beer, using water, barley, hops, yeast and other occasional adjuncts.” The following definitions are related to the scale of operations or particular ingredients used in the process.

Nano-Brewery: The Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) defines a nano-brewery as a brewery that produces less than 3000 hL of beer annually.

Micro-Brewery: According to the Ontario Beverage Network (OBN) micro-breweries are defined as “*breweries with a maximum worldwide annual production of 50,000 hL.*”

Macro-Brewery: Macro-breweries refer to large-scale brewing facilities which produce more than 400,000 hL annually.

Craft Brewery: Craft breweries fall between micro- and macro-breweries in terms of production quantity. The Ontario Craft Brewers (OCB) identify craft brewing as having a production maximum of 400,000 hL of beer per year. The OCB is an Industry Association of Craft Breweries that requires that its members are also to be “*locally-owned and not significantly controlled by a beer company who does not qualify as an Ontario Craft Brewer. They pledge to brew traditional beers*” using traditional ingredients such as malts, barley, water, yeast and hops. They are not to use any added chemicals, fillers or preservatives.

2.1.2 Distillery

As defined by IBISWorld Industry Report 31212CA Breweries in Canada Report (2019), distillery operations in Canada involve distilling ingredients such as grains, potatoes and sugars into spirits which are then bottled and sold. The following definitions are related to the scale of operations.

Small-Scale Distillery: According to OMAFRA a small-scale distillery is one that has worldwide spirits sales of less than 9,000 hL per year.

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

Large-Scale Distillery: OMAFRA defines a large-scale distillery as one that has more than 9,000 hL in worldwide spirit sales per year.

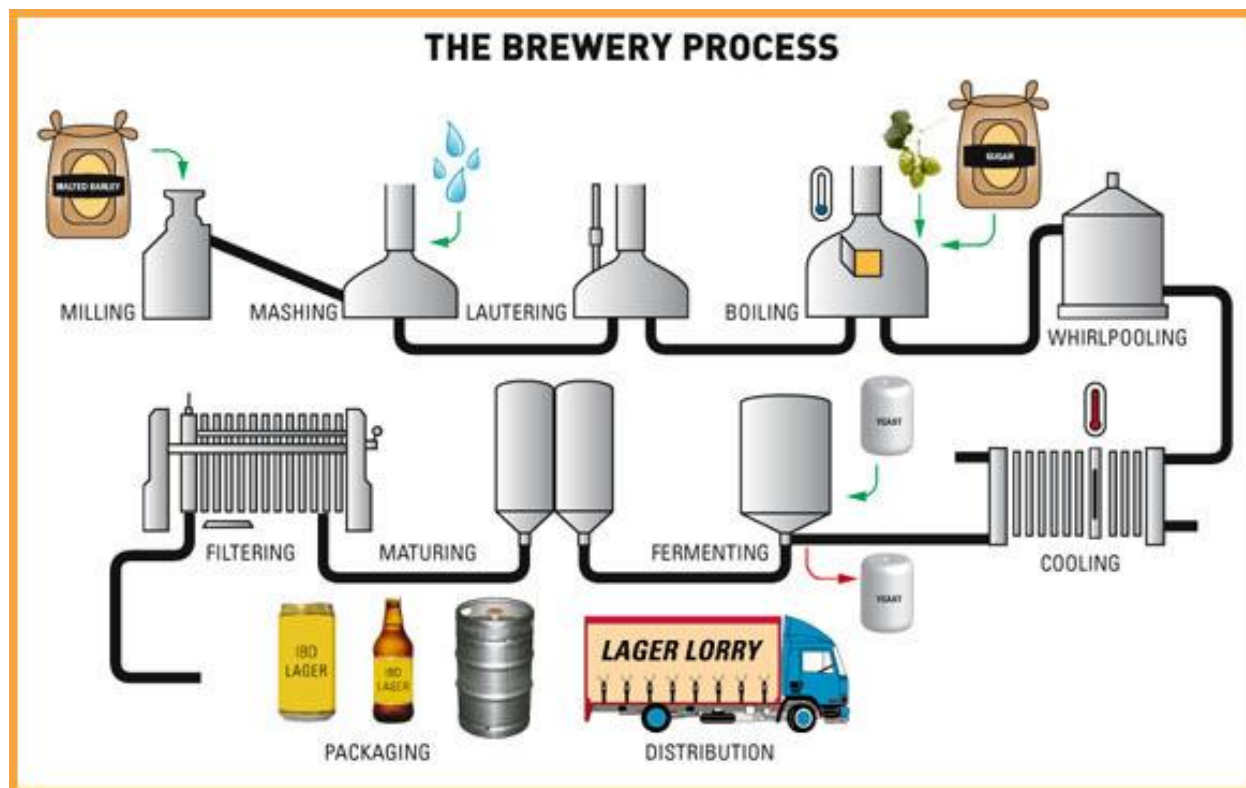
2.1.3 Brewpub

The Brewers Association describes a brewpub as a “professional brewery that sells 25% or more of its beer on-site and operates food services. The beer is brewed primarily for sale in the taproom, and is often dispensed directly from the brewery’s storage tanks. Where allowed by law, taproom breweries often sell beer to-go and/or distribute to off-site accounts.”

2.2 The Brewing / Distilling Process, an Industrial Operation

Breweries and distilleries follow similar production and manufacturing processes. The brewing of beer and distilling of spirits occurs indoors, in accordance with provincial and municipal regulations.

The following is a brief overview of the brewing process as described by the Beer Store:



1. Milling: This involves the physical crushing of malt kernels into smaller particles in preparation for mashing and lautering. Next, grain germinates to make malt, which is then dried in a kiln or roasted. Based on the duration of the roasting process, the malt will darken in colour influencing the colour and flavour of beer.

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

2. Mashing: The malt is then added to, and mashed together with heated, purified water. Depending on the type of beer being brewed, the malt could be supplemented by additional forms of starch or cereals such as corn, wheat or rice.
3. Lautering: Once the mashing is completed, it is transferred to a straining or “lautering” vessel where the liquid drains through the false bottom and flows to the brew kettle. This solution is called “wort”, a sugar solution.
4. Boiling: The boiling occurs in a large cauldron-like brew kettle that holds up to 1,000 hL under carefully controlled conditions. Typically, it takes about two hours to obtain the desired extract from the hops. Highly fermented syrup, or sugar is sometimes added to the kettle.
5. Whirlpooling and Cooling: Once the beer has taken on the flavour of the hops, the wort goes to the hot wort tank where it is cooled.
6. Fermenting: During fermentation yeast breaks down the sugar in the wort to carbon dioxide and alcohol. The yeast multiplies until a creamy, frothy head appears on top of the brew. When the fermentation is complete, which takes roughly seven to ten days, the yeast is removed.
7. Maturing and Filtering: For about one to three weeks, beer is stored cold and then filtered once or twice before it is bottled.
8. Packaging & Distribution: Once beer has been matured and filtered it is packaged and distributed for sale.

For more information on the brewing process, please follow the link provided below:

<https://www.thebeerstore.ca/beer-101/brewing-process/>

The following is a brief overview of the distilling process as described by Spirits Europe.



1. Preparing: The raw material is ground into a coarse meal. The process breaks down the protective hull covering the raw material and treats the starch.
2. Mashing: The starch is converted to sugar, which is mixed with pure water and cooked. This produces a mash.
3. Fermenting: The sugar is converted to alcohol and carbon dioxide by the addition of yeast. With the addition of yeast to the sugar, the yeast multiplies producing carbon dioxide which bubbles away and a mixture of alcohol particles and congeners, or the elements which create flavour.

A simple formula for fermentation is:

Yeast + Sugar = Alcohol + CO₂

4. Distilling: The alcohol, grain particles, water and congeners are heated. The alcohol vaporises first, leaving the water, the grain particles and some of the congeners in the

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

boiling vessel. The vaporised alcohol is then cooled or condensed, to form clear drops of distilled spirits.

5. Ageing: Certain distilled spirits (e.g. rum, brandy, whiskey) are matured in wooden casks where they gradually develop a distinctive taste, aroma and colour.
6. Blending: Some spirits go through a blending process whereby two or more spirits of the same category are combined.

For more information on the distilling process, please follow the link provided below:

<https://spirits.eu/spirits/a-spirit-of-tradition/distillation-process>

2.3 Licensing

The following licensing is required to open and operate a brewery or distillery.

2.3.1 Federal Licences

2.3.1.1 Excise Act

In addition to a Federal Business registration, it is necessary for both a brewery and distillery to obtain their respective licences under the Excise Act and the Excise Act 2001 prior to producing or packaging wine, beer and/or spirits in Canada. The licences that are required under the Excise Act permit breweries and distilleries to open and operate in Canada.

2.3.2 Provincial Licences – Breweries and Distilleries

The following provincial licences must be obtained in order for brewers and distillers to sell their product in Ontario. The provincial licences are administered by the Alcohol and Gaming Commission of Ontario (AGCO).

2.3.2.1 Manufacturer's Liquor Licence

All beer, wine and spirit manufacturers in Ontario must obtain a manufacturer's Liquor Licence from the AGCO. This permits the manufacturer to sell their alcohol to the Liquor Control Board of Ontario (LCBO) and distribute their product through the LCBO's distribution system or by any other approved means (i.e. The Beer Store). These operations are periodically inspected by the AGCO to ensure compliance with the Liquor Licence Act, and AGCO regulations and policies.

2.3.2.2 On-Site Brewery Retail Store Authorization

The AGCO is responsible for the authorization of the Manufacturer's Retail Stores. This means that the manufacturer can operate a store for the retail sale of their own beer and spirits on the same location as the brewery/distillery provided that they meet specific criteria.

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

2.3.2.3 Limited Liquor Sales Licence (“By the Glass”)

The “By the Glass” initiative allows Ontario breweries to sell and serve a single serving of alcohol (12 oz of beer and 1.5 oz of a spirit) to their patrons at their manufacturing site from 11am to 9pm. This licence is obtained from the AGCO. This licence is intended to encourage and support the selling and service of the alcoholic beverage for promotional purposes. By doing so, the manufacturer provides educational opportunities and a visit to a facility with “By the Glass” service enhances the overall tourism experience. It is important to note that licensees under a Manufacturer’s Limited Liquor Sales Licence are exempt from the requirement to sell food because of the limited intent and nature of the “By the Glass” licensing. Although exempt from this requirement, licensees can provide snacks and other food to guests when possible and in appropriate circumstances. Alcoholic beverage manufacturers require this licence if they wish to have a tasting room on their site.

2.3.2.4 Tied House Liquor Sales Licence

The Tied House Liquor Sales Licence permits beer manufacturers to establish a restaurant on site where they can sell their products, as well as food for consumption on site. This licence permits beer and spirits to be sold between the hours of 11am and 2am, but exempts the establishment from having to sell a variety of brands. The licence also permits the licence holder to apply for a catering endorsement to sell and serve their products at any eligible location (i.e. including the offsite manufacturer’s location). If a manufacturer’s retail store is located on the same manufacturing site as a tied house, the licensee may bring sealed, unopened beer (or spirits) purchased from the retail store onto the licensed premises for the purposes of selling it to a patron. This means that restaurant patrons are also able to purchase product from the retail store on the same bill. This licence is necessary for brewpubs, as it permits both the manufacturing and selling of beer and the establishment of a restaurant.

2.3.2.5 Hours of Operation

Hours of operation shall comply with the provisions established by the AGCO. As described in the Section 2.3 of this report alcohol may be sold from 9am to 2am Monday to Sunday. The AGCO has not established specific hours for brewing or distilling beverages, therefore they can be in operation 24/7.

2.3.3 Provincial Licences – Breweries only

The following provincial licences are strictly for breweries:

2.3.3.1 Permit to Take Water

Breweries require substantial amounts of water to produce their product. Operations taking more than 50,000L of water per day from the environment (lakes, streams, rivers, ponds and groundwater) must apply for the Permit to Take Water.

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

The Ministry of Environment, Conservation and Parks (MECP) is responsible for administering this licence.

2.3.3.2 Small Drinking Water System (SDWS)

Breweries in rural areas that are using or intend to use well water must meet the Small Drinking Water System program regulations. This program is administered by the Ministry of Health and Long Term Care and is governed by two regulations under the Health Protection and Promotion Act: Ontario Regulation 318/08 Transitional - Small Drinking Water Systems and Ontario Regulation 319/08 Small Drinking Water Systems. Local public health inspectors (PHIs) conduct site specific risk assessments on the small drinking water system to ensure it is meeting all regulations. The PHI's assessment determines what owners and operators must do to keep their drinking water safe and issues a directive for the system. This directive may include requirements for water testing, treatment options or training.

2.3.3.3 Waste Disposal

Spent grain, the leftover malt and adjuncts after the mash has extracted most of the sugars, proteins, and nutrients, can constitute as much as 85 percent of a brewery's total by-product. Craft breweries all over the country have devised innovative ways to prevent their spent grain from going to waste. While agricultural uses of spent grain predominates, usually in the form of compost or feed, there are many new revolutionary uses, including power generation. By developing "a first-of-its-kind biomass steam boiler," fueled entirely by their spent grain. Ashley Johnston of ABC estimates that "The new boiler will completely eliminate the brewery's use of fuel oil in the grain drying process, and displace more than half of the fuel needed to create process steam for the brewing process."

Alternative uses of spent grain underscore the craft beer community's commitment to creating a sustainable product that lingers in our sensory memories, not our landfills. This is not normally an issue for most small scale operations as they clearly have potential users in most communities. Should landfilling be required, these are commercial operations that provide their own waste disposal through private contracts and does not form a part of municipal solid waste collection systems.

As demonstrated above, advances in technology have dramatically changed the way in which brewing companies are managing their disposal of waste. Having said that, wastewater effluents and solid wastes can be generated by the brewing process, and must be disposed and treated properly in order to meet government regulations. If the brewery intends to use a municipal sewer, compliance with the applicable City By-Law is necessary, as sewage quality must be met. A beer manufacturer should contact local and provincial authorities to discuss site-specific information as it pertains to the disposal of waste or effluent.

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

2.3.4 Municipal Requirements

Breweries in Ontario must comply with all municipal licensing, zoning and building and fire codes. All other applicable by-laws need to be reviewed in addition to the provincially mandated ones. Any zoning amendments are at the discretion of the local municipality. A building permit is mandatory in all Ontario municipalities. It is recommended that those who are interested talk to Economic Development, Planning and the Building Department during the planning stage. The City of Greater Sudbury's requirements are further discussed in Section 5.0.

3.0 Provincial Legislation and Guidelines

3.1 Provincial Policy Statement, 2014

The Provincial Policy Statement (PPS) provides policy direction on matters of provincial interest related to land use planning and development, which include: healthy communities, water, natural heritage, agriculture, aggregate resources and public health and safety. Since breweries and distilleries shape the built environment and can contribute – whether for better or for worse – to such things as the economy, public health and the environment, it is important to review all relevant policies in the PPS.

Section 1.1.1 of the PPS supports the efficient development of land and land use patterns which sustain the financial well-being of the Province and municipalities over the long term, and accommodate an appropriate range of land uses such employment (including industrial and commercial) to meet long-term needs. Breweries and distilleries drive local and regional economies, as they provide jobs and contribute to innovation, entrepreneurship and local and regional tourism. Any Provincial Policy that speaks to economic development and competitiveness can only help to benefit the long-term vitality of breweries and distilleries, and the communities in which they serve.

Section 1.3 of the PPS promotes economic development and competitiveness through the following:

- a) providing for an appropriate range mix and range of employment and institutional uses to meet long-term needs;*
- b) providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses;*
- c) encouraging compact, mixed-use development that incorporates compatible employment uses to support liveable and resilient communities; and*
- d) ensuring the necessary infrastructure is provided to support current and projected needs.*

Long-term economic prosperity is further supported and encouraged in Section 1.7 when it states (a) opportunities for economic development and community investment-readiness are to be promoted; (g) and providing opportunities for sustainable tourism development.

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

3.1.1 Provincial Policy Statement, 2020

The 2020 PPS will come into effect on May 1, 2020. While we do not anticipate that any substantive changes in the new PPS will impact any proposed zoning provisions for breweries and distilleries, we believe that it is important to flag policies that concern two important functions of planning for breweries and distilleries, which include: economic development and land use compatibility. Additionally, we thought it would be important to highlight rural and agricultural policies to help us determine the suitability of breweries and distilleries for these areas.

Since breweries and distilleries can contribute to local economic development, it may be important to contextualize the Province's direction for promoting long-term economic prosperity (Section 1.7.1). This prosperity can be supported by "*promoting opportunities for economic development and community investment-readiness*" (Section 1.7.1a), and "*providing opportunities for sustainable tourism development*" (Section 1.7.1h). Breweries and distilleries can generate tourism and community investment, including job creation.

Breweries present various challenges, including emissions, noise and odour. Breweries and distilleries traditionally locate in industrial areas but, increasingly and at varying scales, are locating in areas that are more commercial or residential, including rural areas. Distilleries are even more complex, as the distillation process can lead to potential hazards associated with combustion, which limits the range uses that can be integrated into the same building. As such, it is important to acknowledge policies that provide further direction on the subject of land use compatibility (Section 1.2) in the context of Ontario's planning framework.

Section 1.2.6.1 provides that: *Major facilities and sensitive land uses **shall** be planned and developed to avoid, or if avoidance is not possible, minimize and mitigate any potential adverse effects from odour, noise and other contaminants, minimize risk to public health and safety, and to ensure the long-term operational and economic viability of major facilities in accordance with provincial guidelines, standards and procedures.*

Section 1.2.6.2 is a **new** policy that strongly states:

Where avoidance is not possible in accordance with policy 1.2.6.1, planning authorities shall protect the long-term viability of existing or planned manufacturing or other uses that are vulnerable to encroachment by ensuring that planning and development of proposed adjacent sensitive land uses are only permitted if the following are demonstrated in accordance with provincial guidelines, standards and procedures:

- a) There is an identified need for the proposed use;*
- b) Alternative locations for the proposed use have been evaluated and there are no reasonable alternative locations; and*
- c) Adverse effects to the proposed sensitive land use are minimized and mitigated; and*

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

- d) *Potential impacts to industrial, manufacturing or other uses are minimized and mitigated.*

In this policy document, the Province emphasizes that the City needs to evaluate the importance of reducing any issues that may arise as manufacturing land uses may be located in or near areas that are primarily mixed-use or residential (i.e. sensitive land uses). Measures to reduce the risk of compatibility issues need to be carefully considered when planning for breweries and distilleries in more urban, mixed-use areas.

Some of the municipalities discussed in this report are encouraging breweries and distilleries in rural areas. Considering this and the growing demand for breweries and distilleries in these areas, we considered PPS (2020) policies that relate to rural areas and agricultural lands. The PPS (2020) specifies that a healthy, integrated and viable rural area should be supported by:

- f) *promoting diversification of the economic base and employment opportunities through goods and services, including value-added products and the sustainable management or use of resources; and*
- g) *providing opportunities for sustainable and diversified tourism, including leveraging historical, cultural, and natural assets;*
- i) *providing opportunities for economic activities in prime agricultural areas, in accordance with policy 2.3.*

Section 1.1.5 provides further direction on economic opportunities on Rural Lands. Policy 1.1.5.3 also directs local authorities to promote “*recreational, tourism and other economic opportunities.*” Policy 1.1.5.7 also stipulates that “opportunities to support a diversified rural economy should be promoted by protecting agricultural and other resource-related uses and directing non-related development to areas where it will minimize constraints on these uses.”

Within prime agricultural areas, Section 2.3 prescribes a list of permitted uses and activities, which include *on-farm diversified uses*. The PPS (2020) has the following definition for *on-farm diversified*:

*On-farm diversified uses: means uses that are secondary to the principal agricultural use of the property, and are limited in the area. On-farm diversified uses include, but are not limited to, home occupations, home industries, **agri-tourism uses**, and uses that produce value-added agricultural products. Ground-mounted solar facilities are permitted in prime agricultural areas, including specialty crop areas, only as on-farm diversified uses.*

Agri-tourism uses are further defined as “farm-related tourism uses, including limited accommodation such as bed and breakfast, that promote the enjoyment, education or activities related to the farm operation.”

As indicated above, the definition for agri-tourism uses is broad and could include a range of activities that support and complement agricultural uses and activities. Like wineries, which typically integrate educational and social components with the

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

actual harvesting of grapes and fermenting of wine, breweries and distilleries promote enjoyment, education and other activities that relate to and complement their brewing and distilling processes.

Therefore, it is our opinion that PPS (2020) policies also promote the development of breweries and distilleries on rural and agricultural lands.

3.2 Growth Plan for Northern Ontario

The 2011 Growth Plan for Northern Ontario (GPNO) is a strategic framework that guides decision making and investment planning in Northern Ontario. The Province has established policies that recognize the distinct competitive advantages that Northern Ontario can offer in certain economic sectors.

Section 1.1 sets out its mission to support and complement the workers, entrepreneurs and institutions of the North to develop a stronger, more resilient and diversified economy. The growth of entrepreneurship, collaboration and innovation throughout the region are strongly emphasized throughout the GPNO.

Generally, the GPNO provides directives or benchmarks related to increasing long-term economic vitality. In particular, Sections 2.2.2 b) and i) of the Growth Plan identify the following as existing and emerging priority economic sectors related to the brewing and distilling industry:

- Food processing; and
- Tourism.

3.3 Ministry of Environment, Conservation and Parks (D-6 Guidelines)

Since we have established that some breweries are located within both Commercial and Industrial Zones, it was also deemed appropriate to review other provincial policies and guidelines related to issues and restrictions of sensitive land uses, as well as the compatibility of industrial uses with other land uses in the context of Ontario's planning framework.

The D-Series Guidelines were developed by the MECP as a tool to guide planning decisions that prevent or minimize adverse effects from the encroachment of incompatible land uses through the adoption of separation distances and other land use control measures.

The D-6 Guidelines further guide municipalities in the development of long-term policy and identification of appropriate land use designations. More specifically, this guideline applies to the compatibility of industrial facilities with other, more sensitive, land uses.

Sections 1.2.1 and 1.2.2 identify potential sensitive land uses (where industry is concerned) as:

- *“recreational uses which are deemed by the municipality or provincial agency to be sensitive; and/or*
- *any building or associated amenity area (i.e. may be indoor or outdoor space) which is not directly associated with the industrial use, where humans or the natural environment may be adversely affected by emissions generated by the operation of a nearby industrial facility. For example, the building or amenity area may be associated with residences, senior citizen*

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

homes, schools, day care facilities, hospitals, churches and other similar institutional uses, or campgrounds”

The Guideline also applies to all types of proposed, committed and/or existing industrial land uses which have the potential to produce point source and/or fugitive air emissions such as noise, vibration, odour, dust and others, either through normal operations, procedures, maintenance or storage activities and/or from associated traffic/transportation.

Section 4.2.2 defines the determining of permitted uses within the industrial land use designation of an Official Plan as:

“Being based on operational aspects (e.g. plant emissions, hours of operation, traffic movement) and mitigation employed. Zoning by-laws, however, do not normally use such factors in the definition of permitted uses. Therefore, it shall be necessary to consult Appendix A of this guideline, to determine permitted uses within a general land use designation.”

Appendix A from Guideline D-6-1 is provided below as Table 1 of this report.

Section 4.3 provides the recommended minimum separation distances based on the class of industrial use:

- Class I - 20 metre minimum separation distance, 70 metre potential influence area
- Class II - 70 metre minimum separation distance, 300 metre potential influence area
- Class III - 300 metre minimum separation distance, 1000 metre potential influence area

Section 4.4 states that depending upon the situation, separation distances may be measured from different points:

- industrial designation line to sensitive land use designation line;
- industrial zone to sensitive land use zone;
- industrial property line to sensitive land use property line;
- proposed industrial use to sensitive land use property line; or
- proposed industrial use to existing sensitive land use.

Guideline D-6-1 identifies examples of how industrial categories can be interpreted for each industrial use that is being considered.

Table 1: MECP D-6-1 (Appendix A) Industrial Categorization Criteria

Category	Outputs	Scale	Process	Operation/Intensity	Possible Examples
Class I	<ul style="list-style-type: none">• Noise: Sound not audible off property• Dust and/or Odour: Infrequent and not intense	<ul style="list-style-type: none">• No outside storage• Small scale plant or scale is irrelevant in	<ul style="list-style-type: none">• Self-contained plant or building which produces/stores a packaged product. Low probability of fugitive emissions	<ul style="list-style-type: none">• Daytime operations only• Infrequent movement of products and/or heavy trucks	<ul style="list-style-type: none">• Electronics manufacturing and repair• Furniture repair and refinishing• Beverages bottling

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

Category	Outputs	Scale	Process	Operation/Intensity	Possible Examples
	<ul style="list-style-type: none"> Vibration: No ground borne vibration on plant property 	relation to all other criteria for this Class			<ul style="list-style-type: none"> Auto parts supply Packaging and crafting services Distribution of dairy products Laundry and linen supply
Class II	<ul style="list-style-type: none"> Noise: Sound occasionally audible off property Dust and/or Odour: Frequent and occasionally intense Vibration: Possible ground-borne vibration, but cannot be perceived off property 	<ul style="list-style-type: none"> Outside storage permitted Medium level of production allowed 	<ul style="list-style-type: none"> Open process Periodic outputs of minor annoyance Low probability of fugitive emissions 	<ul style="list-style-type: none"> Shift operations permitted Frequent movement of products and/or heavy trucks with the majority of movements during daytime hours 	<ul style="list-style-type: none"> Magazine printing Paint spray booths Metal command Electrical production manufacturing Manufacturing of dairy products Dry cleaning services Feed packing plant
Class III	<ul style="list-style-type: none"> Noise: sound frequently audible off property Dust and/or Odour: Persistent and/or intense Vibration: Ground-borne vibration can frequently be perceived off property 	<ul style="list-style-type: none"> Outside storage of raw and finished products Large production levels 	<ul style="list-style-type: none"> Open process Frequent outputs of major annoyances High probability of fugitive emissions 	<ul style="list-style-type: none"> Continuous movement of products and employees Daily shift operations permitted 	<ul style="list-style-type: none"> Manufacturing of paint and varnish Organic chemicals manufacturing Breweries Solvent recovery plants Soaps and detergent manufacturing Manufacturing of resins and costing Metal manufacturing

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

As suggested above, potentially hazardous industrial uses need to be taken into consideration through the development of plans, policies and zones. In these guidelines, breweries/ distilleries are considered Class III Industrial Uses. However, as we have established, not all breweries/ distilleries are created equally.

As such, the next step answer the question: which scale of operation belongs to which class? From our review of the D-6 guidelines, definitions and brewing/distilling processes, we have measured how the classifications might affect our approach to zoning:

- A smaller operation would have the least amount of impact on surrounding uses, and is, therefore, the most compatible. The total amount of beer or alcohol that can be produced within these facilities would be minimal and less offensive in terms of odour, noise and vibration. Further, breweries could be combined with restaurants or within downtown areas or mixed-use zones. The scale of these operations would likely be classified as Class I uses. Uses that involve the process of bottling beverages are typically labelled as Class I examples.
- A medium-sized operation, including a distillery, is likely a Class II use. These facilities are likely to have a higher impact on neighbouring uses (compared to a nano-brewery or brewpub), as their operations may produce some noise, odour and vibration, as well as include the frequent movement of products and trucks. However, as opposed to other intensive uses, they are mostly self-contained, with a low probability of fugitive emissions and only periodic outputs of minor annoyance. As such, these facilities could be permitted in areas with primarily commercial uses.
- A large-scale brewery/distillery is likely a Class III use. They are likely to involve the following: the frequent movement of products and trucks; larger production levels; and higher levels of emitted noise, odour and vibration.

The issue of compatibility with sensitive land uses should be closely observed for all scales of operation. It appears that the scale of operation will have the largest impact upon this evaluation, except for distilleries, which are considered to be less compatible with sensitive uses. Evaluating sites on a case-by-case basis may also be necessary to further ensure that potential compatibility issues are mitigated.

Given the requirements of the Ontario Building Code and Fire Code, distilleries should not be combined with a residential component. Restaurants and office uses may also be restricted based upon the operation and the building design. These considerations are further reviewed below. The potentially combustible nature of the distillation process will have an impact upon the building's design and the integrated uses, especially those with a social or public component.

3.4 Ontario Building Code – Distilleries only

Established by the Building Code Act in 1992, S.O. 1992, c. 23 as amended, the Ontario Building Code applies to all new buildings, demolitions and changes of use. Each municipality is responsible for enforcing the Building Code Act and the Building Code, including: setting fees for building permits; reviewing and issuing building permits; inspecting sites for compliance during construction; and issuing stop work and compliance orders.

While breweries still need to meet Building Code and require a building permit, there are particular considerations specific to distilleries that are not applicable to breweries. The Building Code

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

defines a distillery as a “*process plant where distilled beverage alcohols are produced, concentrated or otherwise processed, and includes facilities on the same site where the concentrated products may be blended, mixed, stored or packaged.*”

The Building Code recognizes distilleries as a part of Group F, Division 1 high hazard industrial occupancies. A high hazard industrial occupancy “*means an industrial occupancy containing sufficient quantities of highly combustible and flammable or explosive materials to constitute a special fire hazard because of their inherent characteristics.*” According to Section 3.1.3.2. of the Building Code, a distillery cannot be combined with a residential use or other uses that typically involve public gatherings.

Integrating a distillery into a building must be considered in the context of the Building Code’s regulations on fire separations, construction, permitted heights and building areas, compliance alternative, etc.

3.5 Ontario Fire Code – Distilleries only

The Ontario Fire Code is a regulation made under the Fire Protection and Prevention Act, 1997, consisting of a set of minimum requirements respecting fire safety within and around existing buildings and facilities. It is important to note that under the Fire Code, distilleries are considered a F1 Classification. This F1 classification triggers specific requirements in the Electrical Act for the authorization of an Electrical Safety Authority (ESA) inspector. It also triggers the requirements of Building Code for fire-resistant barriers and insulation, and emergency exists among others.

According to Section 4.9.2.1(1) of the Fire Code, buildings or parts thereof in which distilled beverage alcohol is distilled, processed or stored in bulk shall be classified as high hazard industrial occupancies. Section 4.2.9.1(2) further provides that buildings or parts thereof used for storage of closed containers of distilled beverage alcohols shall be classified as medium hazard industrial occupancies. This exemplifies the importance of separating incompatible land uses to ensure that the risk of potential hazards are mitigated.

While this is not directly a planning matter, the implementation of the Fire Code, which is designed to keep buildings and the people within or adjacent to buildings safe, is a part of the Building Permit process. The CGS must be cognizant of these limitations, as the legislation is clearly linked to any proposed change to the Zoning By-Law. Acknowledging the limitations by continuing coordination between Planning, Building Services and Economic Development will help to eliminate confusion for people looking for locations to establish a distillery.

Although uses on site may be compatible due to the operational considerations, the placement of a distillery in close proximity to residential uses would need to be done with extreme care through the municipal site plan process, where zoning has already been established through a comprehensive review of a zoning by-law. In particular, there are some notable design solutions that could help to mitigate concerns related to land use compatibility, which include the use of appropriate materials in the building’s design and establishing the appropriate separations and distances through the placement of landscaped buffer areas.

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

3.6 Ministry of Agriculture, Food and Rural Affairs

The Ministry of Agriculture, Food and Rural Affairs (OMAFRA) published a guideline report in 2018¹ that offers support to individuals and businesses looking to start a craft brewery in Ontario. This document helps potential brewers navigate through the brewing process, as well as Ontario's planning framework, including relevant legislation, municipal by-laws and all relevant permits. Information gathered from a review of this document is discussed at length in our report.

OMAFRA has also developed a set of guidelines for permitted uses on Ontario's prime agricultural areas. According to these guidelines, a small-scale micro-brewery can be considered as an on-farm diversified use on prime agricultural lands (PPS 2020, Section 2.3.3.1), but it cannot be considered as an agricultural use or agriculture-related use, as currently defined by the PPS (2014 and 2020).

4.0 Policy and Implementation Examples in Other Municipalities

Small-scale breweries/distilleries and brewpubs are rapidly growing industries, that often work with, complement and contribute to other industries, like tourism and agriculture. From a zoning perspective, brewing and distilling operations are increasingly challenging to regulate. However, there have been some creative solutions developed most recently at the municipal level to support the development of breweries and distilleries, which includes effective zoning strategies that ensure their compatibility with other land uses.

As a part of this report, we reviewed municipalities with a variety of land use structures and experience with brewing and distillery companies. Most municipalities have supported brewing and distilling operations through the adoption of site-specific amendments and exceptions to their respective zoning by-laws. This includes language that defines the location, scale of production and size of the facility. The process of business development requires significant investment of time and expense for each prospective owner.

Our review of municipalities throughout Ontario and Calgary, Alberta has demonstrated that each municipality approaches the planning and zoning of breweries and distilleries in different ways. In other words, there is no "one size fits all" solution. Reviewing the various municipal strategies provided us with insight into the land use implications of planning for breweries and distilleries, including the appropriate language and site requirements for the recommendations to the City of Greater Sudbury's Official Plan and Zoning By-Law contained in Section 6.0 of this report that can be used to implement a strategy, leaving only unique proposals to require a rezoning process.

4.1 City of Ottawa, Ontario

Generally speaking, the City of Ottawa's Official Plan supports economic development and the compatibility of uses. According to Section 2.5.1 of the Official Plan, when planning for the compatibility of land uses, *"the character of the surrounding community should be closely considered and future development must coexist with existing development without causing undue adverse impact on surrounding properties."*

¹ Starting a Craft Brewery in Ontario - Publication 857, <http://www.omafra.gov.on.ca/english/food/business-development/brewery-guide.pdf>

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

In 2018 Ottawa passed a Zoning By-law Amendment to permit micro-breweries and micro-distilleries in commercial and mixed-use areas. Previously, breweries and distilleries were only permitted in the City's industrial zones. The term "storefront industries" was introduced in an effort to support the rise of small-scale, light manufacturing and food-processing activities that also contain services such as a storefront retail or restaurant component of mixed-use area.

Storefront industries are defined as:

"the small-scale production with associated processing, packaging and/or storage of:

- (a) Food or beverages, and/or*
- (b) Other goods produced in limited quantities, using techniques that do not involve mass-production nor the use or production of flammable, explosive or other hazardous materials,*

Where such an establishment includes an ancillary restaurant, retail food store or retail store use through which such goods are sold or served to the public on-site, and which goods may be sold or distributed wholesale to off-site users or resellers."

The term described in the City's by-law does not affect the existing permitted industrial uses in the industrial zones. However, site-specific exemptions in industrial zones can be pursued to add a retail store, retail food store and/or restaurant use to a list of permitted uses. This amendment further stipulates that the storefront industry uses would not constitute a storefront industry in an industrial zone, which ensures that the combination of retail/restaurant and other industrial uses are not subject to the limitations of a storefront industry within the industrial zone.

Where permitted, a storefront industry would:

- By definition, include a retail or restaurant component, which may include an outdoor patio in the latter case;
- Be restricted to a certain maximum floor area (either 200 square metres or 350 square metres, depending on the zone) including storage;
- Not be permitted to have outdoor storage;
- Be required not to cause nuisance due to noise, odour, dust, fumes, vibration, radiation or glare; and
- Non-food-related storefront industry would also, by definition, exclude mass-production and the use or production of flammable, explosive or other hazardous materials, which are considered heavy industry under the Zoning By-law.

As noted in Section 2.3.2.3 of this report, brewing facilities may include "tasting rooms" where potential buyers can sample products before purchasing them. The Province requires operators to obtain a licence in order to house "tasting rooms" and to sell their product "By the Glass". In some cases breweries and distilleries operate "tasting rooms" like bars.

Bars, under the City's Zoning By-law are defined as:

"A licensed drinking establishment, the principal business of which is to serve any sort of beverage alcohol to the public for consumption on the premises, and includes a pub."

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

The Zoning By-law has been amended to permit bars in industrial zones provided that bars are:

- *“Ancillary to a permitted brewery, winery or distillery*
- *Restricted to a certain maximum size, in both absolute floor area and relative to the size of the associated brewery, winery, or distillery. The maximum floor area for such ancillary bars should be the lesser of 300 square metres (the maximum currently imposed on other conditional uses such as restaurants) or 25% of the floor area of the associated brewery, winery, or distillery.”*

4.2 City of Calgary, Alberta

The City of Calgary also promotes economic development and the compatibility of land uses. Within the last 5 years, Calgary has adopted zoning measures to include breweries within certain zones, specifically permitting small-scale breweries in commercial districts and including provisions that allow for on-site tours, product consumption and retail sales within breweries.

Calgary's Zoning By-law has one collective definition for a brewery, winery and distillery.

Brewery, Winery, and Distillery means a use:

- “(i) where beer, wine, spirits and other alcoholic beverages are manufactured;*
- (ii) that may have areas and facilities for the storage, packaging, bottling, canning, and shipping of products made;*
- (iii) that may have a private hospitality area where products made on the premises are provided to private groups for tasting and consumption as a special event;*
- (iv) that may include the retail sale of products made on the premises for consumption off the premises;*
- (v) that may include a public area of 150.0 square metres or less where beer, wine, spirits and other alcoholic beverages manufactured on the premises are sold to the general public for consumption on the premises;*
- (vi) that may include the retail sale for consumption off the premises, and sale for consumption on the premises, of alcoholic beverages made off the premises for one year after commencement of the use, or those beverages made in collaboration with another Brewery, Winery and Distillery;*
- (vii) that may have a maximum of 10.0 square metres of public area used for the purpose of providing entertainment;*
- (viii) where the private hospitality area and the public area may be separate floor areas or may occur in the same floor area, but whether these activities are combined or separate, the public area may not exceed the maximum area in subsection (a)(v) unless combined with another use as contemplated in subsection (c); and*
- (ix) that may include the preparation and sale of food for consumption on the premises to private groups in the private hospitality area and to the general public in the public area.”*

The by-law further states that any of these may be combined with a drinking establishment (small, medium and large), and a restaurant (small, medium and large), if they are permitted in the same district.

A Drinking Establishment means:

- “a use where liquor is sold on-site for consumption, which may also include the preparation and sale of food for consumption.”*

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

A Restaurant means:

“a place where food can be prepared and sold for consumption on the premises and may include the sale of prepared food for consumption off the premises.”

Breweries, wineries and distilleries are permitted generally in commercial, mixed-use and industrial areas in Calgary. Specifically, they are permitted in the following land uses (zones):

- Commercial Neighbourhood 1 District (C-N1)
- Commercial Community 1 District (C-C1)
- Commercial Corridor 1 District (C-COR1)
- Commercial Corridor 3 District (C-COR3)
- Commercial Regional 3 District (C-R3)
- Industrial Business District (I-B)
- Industrial Commercial District (I-C)
- Industrial Heavy District (I-H)
- Centre City Commercial Corridor District (CC-COR)
- Centre City East Village Transition District (CC-ET)
- Centre City East Village Mixed Use District (CC-EMU)
- Mixed Use-General District (MU-1)
- Commercial Neighbourhood 2 District (C-N2)
- Commercial Community 2 District (C-C2)
- Commercial Corridor 2 District (C-COR2)
- Commercial Regional 2 District (C-CR2)
- Industrial General District (I-G)
- Industrial Edge District (I-E)
- Industrial Redevelopment District (I-R)
- Centre Mixed Use District (CC-X)
- Commercial Residential District (CR20-C20/R20)
- Centre City East Village Integrated Residential District (CC-EIR)
- Centre City East Village River Residential District (CC-ERR)
- Mixed Use-Active Frontage District (MU-2)

4.3 City of Toronto, Ontario

In response to the increasingly popular micro-breweries and closely related uses (i.e. restaurant and retail sales), the City of Toronto created the “Cask Force”, an interdivisional committee consisting of City staff from Planning, Building, Economic Development and Culture, Municipal Licensing and Standards, the Office Councillor of Layton and industry representatives from Toronto’s craft breweries. This committee provided direction on zoning requirements as they relate to the production of beer.

Toronto has identified four categories for beer production facilities:

1. Beer production facilities as a principal use (manufacturing);
2. Beer production facilities associated with the principal use (brew pubs);
3. Beer production facilities (manufacturing) with ancillary uses (bottle shops and/or restaurants/tasting rooms); and
4. Beer production facilities as a principal use in combination with other principal uses.

These uses noted above are permitted in the following zones:

Zone	Eating Establishment (Brew Pub)	Retail Store (Bottle Shop)	Manufacturing
Residential Apartment Commercial Zone (RAC)	X*	X*	
Commercial Local Zone (CL)	X*	X*	
Commercial Residential Zone (CR)	X*	X	
Commercial Residential Employment Zone (CRE)	X	X	X
Employment Industrial (E)	X*		X
Employment Light Industrial (EL)	X*	X*	X*

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

Zone	Eating Establishment (Brew Pub)	Retail Store (Bottle Shop)	Manufacturing
Employment Heavy Industrial (EH)			X
Employment Industrial Office Zone (EO)	X*	X*	X*
Institutional General (I)	X*	X*	
Institutional Education Zone (IE)	X*	X*	

*permitted with conditions

Toronto recognizes that breweries vary substantially in size and function. Some breweries contain an eating establishment, a retail store or both. With respect to the permission for a beverage manufacturing use as part of a retail store in commercial zones, the permission applies to beer, cider and wine.

As indicated in the table above, while the by-law has been amended to include breweries in several zones, there are certain conditions or limits attached to them. The following zoning by-law amendments have been developed by the Cask Force to clarify the limits and simplify the zoning interpretation of beer production and related uses:

1. Permitting retail stores with on-site beer production in Commercial-Residential Zones

Retail stores (bottle shops) can include an on-site beverage manufacturing facility that is no more than 400 square metres in floor area.

2. Outdoor patio permission in certain Employment-Industrial Zones

Outdoor patios can be permitted ancillary to restaurants and/or tasting rooms operating as part of breweries in all Light Employment (EL) and some Employment (E) zones

3. Removal of requirement for a partition wall between beer production and restaurant/retail store areas in Employment/Industrial Zones

A floor-to-ceiling wall between manufacturing use and a retail store or eating establishment to prevent public access is no longer mandatory. Building Code requirements for separation between certain uses would still apply.

4. Beer Production and Restaurant Floor Area

The area used for beer production and related spaces, within a restaurant, be excluded from maximum restaurant size in any site or area specific By-laws.

5. Beer Production and Restaurants Employment-Industrial Zones

Restaurants and retail store space will be permitted as a percentage of beer production space in Employment (E), Light Employment (EL) and Employment Office Industrial (EO) zones.

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

4.4 City of Waterloo, Ontario

The City of Waterloo is home to over a dozen brewing companies. As such, there have been some efforts over the years to properly define breweries and ensure that they are permitted within zones that are deemed most appropriate by the City.

Within the City's Official Plan there are two Specific Provision Areas that permit micro-breweries:

- 11. 1. 68 Specific Provision Area 68 (305 Northfield Drive East)
 - Permitted uses (primary uses): Micro-brewery
- 11. 1. 6 Specific Provision Area 6 (181 King Street South)
 - The existing brewery shall be permitted until the current operation ceases to exist

The City's Zoning By-law has two definitions related to breweries:

Microbrewery means:

"a building or part thereof used for the small-scale production of beverages including beer, wine, cider, and spirits."

Nanobrewery means:

"a building or part thereof used for the small-scale production of beer, wine, cider, and or spirits in conjunction with and ancillary to a restaurant."

Waterloo further provides direction on the estimated size of microbreweries and nanobreweries, as well as other specifications which aim to mitigate conflicts with other types of land uses.

The following restrictions apply to microbreweries (Section 3.M.3):

- 1) *Notwithstanding anything to the contrary, a micro-brewery includes the retailing of beverages produced on the premises for consumption off-site.*
- 2) *The maximum building floor area of a micro-brewery shall be 2,325 square metres.*
- 3) *All emissions and vapours created by the micro-brewery shall be wholly contained within the unit or discharged to the municipal sewer.*

The following applies to nanobreweries (Section 3.N.1):

- 1) *Beer, wine, cider, and or spirits produced in a nano-brewery shall be primarily consumed within the associated restaurant.*
- 2) *Notwithstanding anything to the contrary, nano-brewery includes the retailing of beverages produced on the premises for consumption off-site.*
- 3) *The maximum building floor area of a nano-brewery shall be 235 square metres.*
- 4) *All emissions and vapours created by the nano-brewery shall be wholly contained within the unit or discharged to the municipal sewer.*

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

The following table displays where the two types of breweries are permitted within the Waterloo's Zoning By-law:

Type of Brewery	As Primary Use	As Ancillary Use
Nanobreweries	<ul style="list-style-type: none"> • Uptown Commercial Core (U1) • Mixed-use Community Commercial (C1) • Mixed-Use Neighbourhood Commercial (C2) • Convenience Commercial (C3) • Corridor Commercial (C5) • West Side Mixed-Use Commercial Centre (C6) • Conestoga Commercial Centre (C7) • Station Area Mixed-Use Community Commercial A (C1A) • Station Area Mixed-Use Neighbourhood Commercial A (C2A) 	<ul style="list-style-type: none"> • Uptown Mixed Use (U2) • Mixed-Use Office (C4) • Station Area Mixed-Use Office (C4A) • University College (UC) • Station Area Business Employment Two (E2A) • Station Area Business Employment Two B (E2B)
Microbreweries	<ul style="list-style-type: none"> • Flexible Industrial (E3) 	<ul style="list-style-type: none"> • Business Employment One (E1) • Business Employment Two (E2) • Station Area Business Employment Two (E2A) • Station Area Business Employment Two B (E2B)

4.5 Municipality of North Huron, Ontario

The Municipality of North Huron is located in Huron County, within a region that has become a popular destination for brewers. A local tourism publication indicates that there are seven breweries, one cidery, five wineries and one distillery within the municipalities in Huron County.

Recognizing the demand for available land for brewing and distilling operations and the success of craft brewing companies, the Municipality is currently redefining breweries and distilleries and amending their zoning by-law to permit various kinds of breweries within different zones. While these are only draft amendments, they offer some insight into the zoning measures that are being adopted by municipalities, in particular, ones that are more inclusive towards breweries and distilleries. These draft amendments also address potential land use compatibility issues.

The Municipality of North Huron has developed multiple definitions related to breweries:

A Brewery/ Distillery/ Winery means:

“a building or part thereof used for the manufacturing of alcoholic or non-alcoholic beverages. A brewery may include a cidery or meadery.”

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

A Micro-Brewery/ Distillery/ Winery means:

“a building or structure or part thereof used for the small scale manufacturing, processing, retail sale, and distribution of beverages and alcoholic substances. A micro-brewery/ distillery/ winery may include a cidery or meadery. A micro-brewery/distillery/winery may also include the preparation, offering for sale, and consumption of food or drinks including alcoholic drinks; entertainment and hosting of events; and tours of the facility.”

A Farm Brewery/ Distillery/ Winery shall mean:

“a building or structure or part thereof associated with an agricultural use(s) on the same farm lot where alcohol is produced primarily from materials/crops grown on the lot and may include storage, display, processing, alcohol tasting, an outdoor patio area, and limited retail sales. The area used for alcohol tastings and retail sales shall not exceed 75m² or 25% of the total above ground floor area, whichever is least. Alcohol tasting does not include a restaurant, banquet facility, or commercial kitchen. Overnight accommodation is not part of a farm winery/brewery/distillery use. A farm winery/brewery/distillery may also include a meadery or cidery.”

A Rural Brewery/ Distillery/ Winery shall mean:

“one or more buildings, structures or parts thereof associated with an agricultural use(s) on the same farm lot, where the lot contains a minimum of 4 hectares planted to produce materials/crops to be used in the production of alcohol. A rural brewery/distillery/winery may include storage, display, processing, alcohol tasting, an outdoor patio area, and limited retail sales. The area used for alcohol tastings and retail sales shall not exceed 150m². Alcohol tasting does not include a restaurant, banquet facility, or commercial kitchen. Overnight accommodation is not part of a rural winery/brewery/distillery use. A rural brewery/distillery/winery with a minimum of 8 hectares planted to produce materials/crops to be used in the production of alcohol is also permitted a service kitchen and related dining area. A rural brewery/distillery/winery may also include a meadery or cidery.”

Section 3.26.1 of the by-law requires a micro-brewery to provide 1 parking space per 4 seats of maximum capacity, or at least 5 parking spaces.

A Farm Brewery/Distillery is to be permitted as an accessory use within the following zones:

- Section 4.2 General Agricultural Zone (AG1)
- Section 5.2 Restricted Agricultural Zone (AG2)

A Rural Brewery/Distillery is to be a permitted use within the following zone:

- Section 6.1 Agricultural Commercial / Industrial Zone (AG3)

A Micro-brewery/Distillery is to be a permitted use within the following zones:

- Section 10.1 Highway Commercial Zone (C3)
- Section 11.1 Core Commercial – Wingham/ Blyth Zone (C4)

4.6 Municipality of Central Huron, Ontario

In similar fashion, the Municipality of Central Huron contains two definitions for a brewery/distillery/winery.

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

Brewery/Distillery/Winery means, *“the manufacturing of alcoholic or non-alcoholic beverages.”*

These uses are permitted in the following zones:

- Agricultural-Commercial-Industrial (AG3);
- Village Commercial-Hamlet (VC1);
- Highway Commercial (C3);
- Core Commercial-Clinton (C4); and
- Light Industrial (M1).

On farm brewery/distillery/winery means:

“the manufacturing of alcoholic or non-alcoholic beverages using products grown on the same property”

These uses are permitted in the following zones:

- General Agriculture (AG1); and
- Restricted Agriculture (AG2).

The Municipality of Central Huron has identified a brewery/winery/distillery as a home industry, which is permitted in the General Agriculture (AG1) zone as an accessory use, and other special exception zones.

Central Huron is home to the craft brewery Cowbell Brewing. Cowbell Brewing is currently located in a site-specific Highway Commercial Zone (C3-20). The special zone C3-20 includes the following in addition to the uses permitted in the C3 zone:

- a) *“The brewing of beer and the distilling of liquor*
- b) *The retailing of goods produced on site including beer, liquor, fruits and vegetables as well as other items associated with the operation of the brewery and distillery.” (as amended by By-law 19-2016)*

4.7 City of Thunder Bay, Ontario

The City of Thunder Bay has identified breweries as a medium industrial use. There are multiple breweries within the City such as the Sleeping Giant Brewing Company, Dawson Trail Craft Brewery, and UB Brewmaster. All breweries in Thunder Bay are located in the Medium Industrial (IN2) Zone. Some of the permitted uses in the IN2 Zone include:

- Industrial centre;
- Light industrial;
- Medium industrial;
- Office; and
- Restaurant.

Industrial Centre is:

“a place, other than a mixed use building, where 4 or more uses permitted in an industrial zone are located together for their mutual benefit.”

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

Light Industrial refers to:

“an industrial use which is entirely enclosed within the building in which is undertaken, such that emission from that building of odours, fumes, noise, cinder, vibrations, heat, glare or electrical interference is not possible.”

Medium Industrial means:

“ an industrial use which is substantially enclosed within the building in which it is undertaken, such that emission from that building of odour, fumes, noise, cinder, vibrations, heat, glare or electrical interference is not possible.”

5.0 Current City of Greater Sudbury Policy

5.1 Official Plan

The City of Greater Sudbury's Official Plan does not contain policy direction specific to any scale of brewery or distillery. Existing breweries within the City are located on lands designated Mixed Use Commercial and General Industrial. As such, it is important to consider the City's current policy direction for these areas.

Section 4.3 Mixed Use Commercial:

- 1) *All uses permitted by this Plan except Heavy Industrial may be accommodated in the Mixed Use Commercial designation through the rezoning process.*

Section 4.5.1 General Industrial:

- 1) *Permitted uses may include manufacturing, fabricating, processing and assembling of industrial and consumer products, repair, packaging and storage of goods and materials, and related industrial activities.*
- 2) *Complementary uses, such as administrative offices, hotels and restaurants, which do not detract from, and which are compatible with, the operation of industrial uses are also permitted.*
- 3) *General Industrial uses must have minimal environmental impacts. Any use which may impact surrounding areas and cause nuisance will be appropriately buffered and screened.*
- 4) *Where development occurs in areas that are not fully serviced, only dry industries that generate less than 4,500 litres of wastewater a day may be permitted.*
- 5) *Heavy industrial uses may also be permitted by rezoning.*

This report recommends zoning provisions that will inevitably lead to the development of breweries and distilleries in other O.P. designated areas. As such, we considered the following policies:

Section 4.2.1 Downtown

- 1) *A wide variety of uses are permitted in the Downtown, consistent with its function as the most diversified commercial Centre in the City. Residential, commercial, institutional, entertainment uses and community facilities are permitted as set out in the Zoning By-Law, provided that sewer and water capacities are adequate for the site. Drive-throughs are not permitted in the Downtown.*

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

- 2) *To encourage development in the Central Business District, new non-residential development will be exempt from parking. Parking will be required for residential uses in the Central Business District, except residential re-use projects in buildings that were originally constructed five or more years ago.*

Section 4.2.1.1 Downtown Non-Residential Development

- 1) *Non-residential development is a key priority for the Downtown as a means of stimulating increased investment and business activity and reinforcing the City's urban structure by achieving a more efficient pattern of development.*

Section 4.2.2 Regional Centres

- 4) *Regional Centres may be appropriate locations for certain light industrial uses which are conducted entirely indoors provided that appropriate landscaping and buffering can be established to shield any adjacent sensitive uses. Outside storage is not permitted unless it is for the purpose of displaying goods for retail sale.*

Section 4.2.3 Town Centres

- 1) *Town Centres will be planned to include a diverse mix of land uses, an appropriate range of housing types, high quality public spaces and the provision of easy access to stores, services and recreational opportunities. Town centres will be planned as high quality areas that support active transportation and transit as outlined in Sections 11.3.2 and 11.8, and Chapter 14.0, Urban Design.*
- 2) *Town Centres may also be appropriate locations for light industrial uses. Outside storage for the display and sale of goods is permitted. Proper landscaping and buffering must also be established for light industrial uses.*

Section 4.5.2 Heavy Industrial

- 1) *Within areas designated Heavy Industrial, all industrial uses are permitted, including sanitary landfill sites, salvage yards, quarrying and sewage treatment facilities. Mining and related smelting, refining and processing operations are generally not permitted in Heavy Industrial areas, as the Mining/ Mineral Reserve designation applies to those uses.*
- 4) *Minimum setback distances from sensitive land uses may be required for certain uses in this designation.*

Section 5.2 Rural Area Designation

- 1) *The following uses are permitted within the Rural Areas designation:*
 - a) *agricultural uses, agriculture-related uses and on-farm diversified uses;*

5.2 Zoning By-law

The City of Greater Sudbury is currently home to two small-scale breweries, one small-scale distillery and three brewpubs which were either permitted as of right, or required a rezoning process to permit the proposed use. This section of the report provides the zoning information relevant to breweries and distilleries throughout the City, including relevant definitions; location, size, and scale of existing operations in the City; and parking and loading requirements. This section provides the basis to our approach in the recommendations in Section 6.0 of this report.

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

5.2.1 Relevant Definitions

The following definitions in the City's Zoning By-Law are most relevant to our discussion on breweries and distilleries:

Food Processing Plant:

An industrial use where agricultural products are prepared, processed, preserved, graded or stored, and includes, without limiting the generality of the foregoing, a flour mill, dairy, soft drink manufacturing or bottling plant, brewery, bakery, catering establishment, grain elevator or egg grading station, but does not include a restaurant, or abattoir except where such uses are specifically permitted hereby.

Restaurant:

A premises in which the principal business is the preparation and serving of food and refreshments to the public for consumption at tables within or outside the building and which may include the preparation of food in a ready-to-consume state for consumption outside of the premises.

Accessory Retail Store:

A building, structure or lot, or part thereof, where goods, wares, merchandise, commodities, substances, foodstuffs, articles or things of any kind are stored, kept, offered or displayed for retail sale or rental to the general public, and includes, without limiting the generality of the foregoing, any use defined herein as a form of "retail store" but does not include any other use defined herein. The accessory retail store is only if accessory and clearly secondary to a light industrial use, and wherein products manufactured, produced or processed on the premises are kept or displayed for wholesale or retail sale, or wherein orders are taken for the delivery of such products.

5.2.2 Zones

The City's Zoning By-law currently permits breweries and distilleries as a "food processing plant" in the Mixed Light Industrial/Service Commercial (M1), Light Industrial (M2) and Heavy Industrial (M3) Zones.

The City's existing breweries and distilleries are located in a variety of zones. Some have been able to locate and operate as of right, whereas others have required amendments, typically after initial operations of a restaurant, to permit the establishment of brewing facilities on the premises.

5.2.2.1 Spacecraft, 854 Notre Dame Avenue, Business Industrial (M1-1) Zone

Spacecraft is located on Notre Dame Avenue in the converted former Greyhound Bus station. The Spacecraft restaurant opened January 2, 2019 and was zoned Business Industrial (M1-1). The establishment later applied to the City for an amendment to the Zoning By-law in order to

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

permit a food processing plant in the form of a brewery. On July 8, 2019 the City's Planning Committee approved a proposed Zoning By-law Amendment to rezone this property M1-1 (22) and permit a food processing plant in the form of a brewery. The brewing facility is approximately 43 square metres and is located within the same building as the restaurant. The rezoning application intended to permit the sale of beer for consumption off-site.

5.2.2.2 Stack Brewhouse, 947 Falconbridge Road, Mixed Light Industrial/Service Commercial (M1) Zone

The Stack Brewhouse is owned by the Stack Brewing Company. The Stack Brewhouse is located on Falconbridge Road and is zoned Mixed Light Industrial/Service Commercial (M1). This zone permits a food processing plant, restaurant and accessory retail store. This establishment functions as a restaurant and contains a small brewing facility that produces the beer that is sold and consumed on site. No zoning exceptions or amendments were implemented to permit this brewery and brewpub in this zone.

5.2.2.3 Stack Brewery, 46 North Brewing Corp, and Crosscut Distillery, Kelly Lake Road, Light Industrial (M2) Zone

Stack Brewery, 46 North Brewing Corp, and Crosscut Distillery are all located on Kelly Lake Road in close proximity to each other and in the Light Industrial (M2) Zone. A food processing plant, restaurant and accessory retail store are currently permitted in the M2 Zone. No zoning exceptions or amendments were required in order to permit these operations in the M2 zone.

5.2.2.4 Taphouse, 1500 Regent Street, Office Commercial (C4) Zone

The Taphouse is located on Regent Street and is zoned Office Commercial (C4(6)) with a special exception to permit a food processing plant in the form of a brewery. The Taphouse restaurant had been in operation for years prior to adding the brewery as a permitted use. The C4 zone permits a restaurant, however, in order to operate a brewery within the restaurant the City required the applicant to obtain a special exception, in order to permit a food processing plant in the form of a brewery. The brewery is approximately 116 square metres.

The staff report provided several reasons why the Taphouse proposal conformed with the Official Plan, which include:

- No identified servicing constraints;
- Adequate on-site parking provided based on the mix of uses;
- No new access to the Secondary Arterial Road is required;
- No road improvements are required to accommodate development; and

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

- No outdoor storage is required for the proposed use.

5.2.3 Parking and Loading Provisions

The City's Zoning By-law sets out the minimum parking requirements for relevant uses:

- Food Processing Plant: 1/90 sq. m net floor area + 1/30 sq. m net floor area of accessory office net floor area
- Restaurant: 1/10 sq. m net floor area OR 1/3 persons seating capacity, whichever is greater
- Retail Store: 1/20 sq. m net floor area

Where there are multiple uses on a lot, Section 5.2.2.2 of the Zoning By-law provides that the required parking is the sum of the parking requirements for each component use.

Accessible parking spaces for the applicable uses noted above are based on the overall number of parking spaces provided on the property, as noted below:

Total Number of Automobile Parking Spaces Provided	Minimum Required Number of Barrier-free Accessible Parking Spaces
1-9	0
10-50	1
51-100	2
For each additional 50 spaces or part thereof	1 additional space

The number of loading spaces for an industrial or commercial use is based on the floor area of all the buildings on the lot, as stated in Section 5.6.3. The number of loading spaces is based on the following:

Gross Floor Area	Loading Spaces Required
Less than 300 m ² gross floor area	0
300 m ² to 4,500 m ²	1
Over 4,500 m ² gross floor area	1 additional loading space for each additional 9,000 m ² gross floor area or part thereof

5.3 Site Plan Control

The development of a new site or renovation of an existing site will likely trigger the requirement for a site plan approval in accordance with the City's Site Plan Control By-law 2010-220. The By-law requires site plan for all commercial development. Industrial development also requires site plan control, except where it is located more than 152.4 metres from both the nearest Residential Zone and nearest Municipal Road or Provincial Highway.

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

The City's Site Plan Control Guidelines set out the City's expectations and requirements for Site Plan Control. In this case attention should be paid to the need for removal of the waste (by-products) such as the mash from the brewing and distilling process

5.4 Sewer Use By-law 2010-188

The City's Sewer Use By-law 2010-188, as amended, restricts what can be placed in the sanitary sewer system. A part of any permitting process should include a reviewed with the City by the proponent to ensure that the proponent can meet the City's standards can be met.

6.0 Recommendations

6.1 General

Based upon our review of best practices and Sudbury's policy context, the City should implement zoning provisions that reflect the considerations made in this report and encourage the continued coordination between municipal departments, including Building Services, Planning, and Economic Development to ensure that breweries and distilleries are developed safely and within suitable areas in a coordinated fashion.

The City should amend its Zoning By-law to ensure the safe and adequate provision of opportunities for breweries and distilleries. The City's Zoning By-Law currently recognizes a brewery as a type of "food processing plant", or an industrial use. Depending on the scale of operation, however, not all breweries need to be considered industrial uses, and continuing to define them in this way would be inappropriate. Our recommendations would permit the development of these uses in specific zones subject to the criteria provided below.

While many of the municipalities identified in this report provide a combined definition for distilleries and breweries, we propose that definitions for these uses remain separate. In our discussions with City Staff and through our examination of the Ontario Building and Fire Codes, we have concluded that distilleries and breweries are not comparable uses, as they have a different set of requirements. Unlike breweries, distilleries are far more hazardous and cannot be combined with a residential, or office component. While the scale of a brewery may change the zone in which it may be permitted, a distillery faces the same hazardous potential at any scale of operation. As such, distilleries should be limited to industrial zones only.

Our approach further reflects the need to permit breweries and distilleries within zones that are deemed most appropriate in an attempt further mitigate potential concerns and any adverse effects that result from incompatible land use planning. We have clearly defined small-scale and large-scale brewing operations as a strategy to provide clarity and simplicity to the zoning process. We have added definitions for brewpubs and distilleries for reasons previously explained.

Business owners will also regard these zoning definitions and regulations when they are considering the development of a new facility or an expansion to their operations.

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

The City could also consider more supportive language within the Official Plan that promotes the economic potential of breweries and distilleries within certain designated areas. There are also specific elements of the Site Plan Control process that would be triggered as a result of this report's recommendations. As such, we suggest that the City staff add to the O.P. and the City's Site Plan Guide to reflect this report's recommendations.

City staff may also want to review mobile bottling units and consider adding wineries and cideries to the definitions below, as other municipalities have done.

6.2 Definitions

The following definitions have been developed and are recommended to be integrated into the City's Zoning By-law:

Small-Scale Brewing Facility*: A building or structure thereof that is used for the self-contained manufacturing, production, storage, packaging, bottling, canning and shipping of no more than 50,000 hectolitres of beer per year authorized by a licence issued by the Alcohol and Gaming Commission of Ontario. Self-contained means that the emission of odour, fumes, noise, cinder, vibrations, heat, glare or electrical interference is not possible. A Small-Scale Brewing Facility may be accompanied by:

- a) A private hospitality area where products made on the premises are provided to private groups for tasting and consumption;
- b) An area for the retail sale of products made on the premises for consumption off of the premises;
- c) An area where beer manufactured on the premises and alcoholic beverages made off of the premises, by or in collaboration with another Brewery, Winery and Distillery are sold to the general public for consumption on the premises;
- d) Special events and tours; and
- e) An office to be used for administrative purposes.

*This new definition includes nano- and micro- breweries.

Large-Scale Brewing Facility: A building or structure thereof that is used for the self-contained manufacturing, production, storage, packaging, bottling, canning and shipping of greater than 50,000 hectolitres of beer per year authorized by a licence issued by the Alcohol and Gaming Commission of Ontario. Self-contained means that the emission of odour, fumes, noise, cinder, vibrations, heat, glare or electrical interference is not possible. A Large Scale Brewing Facility may be accompanied by:

- a) A private hospitality area where products made on the premises are provided to private groups for tasting and consumption;
- b) An area for the retail sale of products made on the premises for consumption off of the premises;
- c) An area where beer manufactured on the premises and alcoholic beverages made off of the premises, by or in collaboration with another Brewery, Winery and Distillery are sold to the general public for consumption on the premises;
- d) Special events and tours; and
- e) An office to be used for administrative purposes.

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

Distilling Facility: A building or structure thereof that is used for the self-contained manufacturing, production, storage, packaging, bottling, canning and shipping of alcohol, as authorized by a license issued by the Alcohol and Gaming Commission of Ontario. Self-contained means that the emission of odour, fumes, noise, cinder, vibrations, heat, glare or electrical interference is not possible. A Distilling Facility may be accompanied by:

- a) A private hospitality area where products made on the premises are provided to private groups for tasting and consumption as a special event;
- b) An area for the retail sale of products made on the premises for consumption off of the premises;
- c) An area where alcohol manufactured on the premises and alcoholic beverages made off of the premises, by or in collaboration with another Brewery, Winery and Distillery, are sold to the general public for consumption on the premises;
- d) Special events and tours; and
- e) An office to be used for administrative purposes.

Brewpub*: A building or structure thereof that is used for two uses: a *Small-Scale Brewing Facility* and a *Restaurant*. The restaurant component will involve the preparation and serving of food and other refreshments to the public for consumption within, or outside of the building, as well as the preparation of food in a ready-to-consume state for consumption off the premises. In addition, 25% (or more) of the beer must be sold on site.

*This definition includes all of the same components for a *Small-Scale Brewing Facility*. The only difference is that a *Brewpub* combines two separate uses, which includes the *Small-Scale Brewing Facility* and a *Restaurant*, as defined by the City's Zoning By-Law.

6.3 Appropriate Zones

Small-Scale Brewing Facility and Brewpubs

Small-Scale Brewing Facilities and *Brewpubs* should be included as a permitted use in the following zones:

- General Commercial (C2);
- Limited General Commercial (C3);
- Office Commercial (C4);
- Shopping Centre (C5);
- Downtown Commercial (C6);
- Resort Commercial (C7);
- Business Industrial (M1-1);
- Mixed Light Industrial/Service Commercial (M1);
- Light Industrial (M2);
- Heavy Industrial (M3);
- Agricultural (A); and
- Rural (RU).

Small-Scale Brewing Facilities and *Brewpubs* are generally compatible with the uses permitted in the zones listed above. *Small-Scale Brewing Facilities* and *Brewpubs* can be recommended in the Mixed-Use Commercial, Town Centre, and Regional Centre designations where restaurants

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

are normally permitted. Further, they can either be standalone, or integrated into a mixed-use building.

In addition, these facilities can be located in several industrial zones. The design, location and suitability of a *Small-Scale Brewing Facility* within one of the aforementioned zones should be closely considered by the City's Building Services department and through the Site Plan Control process.

As tourist destinations, *Small-Scale Brewing Facilities* and *Brewpubs* house various retail components in addition to the sale of beer, including shops, special event venues and bars. As such, they have become very lucrative and attractive business ventures to both entrepreneurs and municipalities. As breweries will continue to diversify with respect to their in-house uses and services, they should be permitted within commercial zones and as viable commercial uses within tourist commercial and rural areas.

It is recommended that *Small-Scale Brewing Facilities* be permitted in Downtown Sudbury, as a means to create a vibrant and attractive destination area for both tourists and people who live in and around the downtown core of the City. Sudbury's Downtown Master Plan works to provide strategies for improving the Downtown's level of economic, cultural and retail activity, its sense of place and its role as the urban centre for the region. Section 4.1.2. of the Official Plan, titled 'Create Downtown Attractions' identifies that the City should consider the level of investment that should be put towards the development of destination areas and determine the types of uses that will make the City more attractive to businesses and investors alike.

The Official Plan further directs the City to build on its base of existing restaurants and bars, independent shops and speciality food stores to help diversify the Downtown core, including the existing establishments. *Small-Scale Brewing Facilities* could contribute to the future commercial and economic vitality within the City's downtown core. The CGS should also consider the potential of cideries and wineries

Large-Scale Brewing Facility

A *Large Scale Brewing Facility* should be included as a permitted use in the following zones:

- Business Industrial (M1-1);
- Mixed Light Industrial/Service Commercial (M1);
- Light Industrial (M2); and
- Heavy Industrial (M3).

We agree that a *Large-Scale Brewing Facility* is similar to a *Food Processing Plant*, which is currently permitted in the City's industrial zones. However, a *Food Processing Plant* is not permitted in an M1-1. Based on our findings, it is our opinion that a *Large Scale Brewing Facility* is suitable for this zone. It is recommended that the City continue to view these operations as a more industrial and, therefore, permit *Large Scale Brewing Facilities* in the zones listed above.

Distilling Facility

A *Distilling Facility* should be included as a permitted use in the following zones:

- Mixed Light Industrial/Service Commercial (M1);

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

- Light Industrial (M2);
- Heavy Industrial (M3);
- Agricultural (A); and
- Rural (RU).

As discussed in this report, regardless of the scale of operation, a distillery is far more disruptive than a brewing facility. As an F1 Classification in the Building Code, a distillery should be limited to only industrial zones. As such, we recommend limiting the extent to which a distilling facility can be combined with another other use.

Based on market demand and the best practices discussed in this report, we suggest that a *Distilling Facility* be allowed to have a *restaurant* as an ancillary use. A distillery will not be allowed in a building with a residential occupancy, as this is prohibited by the Building Code. In Rural and Agricultural Zones the distillery should be located within a stand-alone building only.

6.4 Minimum Parking and Loading Requirements

The minimum parking and loading requirements for a *Small-Scale Brewing Facility*, *Large-Scale Brewing Facility* and a *Distilling Facility* are recommended to remain the same as what is currently required for a *Food Processing Plant*, as described in Section 5.3.3 of this report.

Parking and loading requirements for all other proposed uses associated with the brewing and distilling component a building will need to be calculated in accordance with the general parking provisions, as displayed in Section 5.2 of the Zoning By-Law. (i.e. restaurant, tasting room)

Landowners and business applicants will also have the right to pursue a *Cash-in-Lieu of Parking* agreement in accordance with Section 5.2.8 of the Zoning By-Law.

6.5 Site Plan Control

The City's Site Plan Control Agreement (SPCA) process needs to be considered in the context of land use compatibility issues as they apply to breweries and distilleries. Although uses on site may be compatible due to the operational considerations, the placement of a distillery in close proximity to residential uses would need to be done with extreme care through SPCA, where zoning has already been established. In particular, there are some notable design solutions that could help to mitigate concerns related to land use compatibility, which include the use of appropriate materials in the building's design and establishing the appropriate setbacks and distances through the placement of landscaped buffer areas. The placement and suitability of breweries and distilleries will need to be reviewed and studied in the context of the City's SPCA process.

7.0 Disclaimer

This report has been prepared for the exclusive use of City of Greater Sudbury, for the stated purpose, for the named facility. Its discussions and conclusions are summary in nature and cannot be properly used, interpreted or extended to other purposes without a detailed understanding and

City of Greater Sudbury

Policy Options Report for Small Scale Breweries, Distilleries and Brewpubs

discussions with the client as to its mandated purpose, scope and limitations. This report was prepared for the sole benefit and use of City of Greater Sudbury and may not be used or relied on by any other party without the express written consent of J.L. Richards & Associates Limited.

This report is copyright protected and may not be reproduced or used, other than by City of Greater Sudbury for the stated purpose, without the express written consent of J.L. Richards & Associates Limited.

J.L. RICHARDS & ASSOCIATES LIMITED

Prepared by:



Erin Reed
Planning Intern

Prepared by:



Eric Forhan, MScPl
Planner

Reviewed by:



Sarah Vereault, MCIP, RPP
Planner

Reviewed by:



Timothy F. Chadder, MCIP, RPP
Associate, Chief Planner



www.jlrichards.ca

Ottawa

864 Lady Ellen Place
Ottawa ON Canada
K1Z 5M2
Tel: 613 728-3571

ottawa@jlrichards.ca

Kingston

203-863 Princess Street
Kingston ON Canada
K7L 5N4
Tel: 613 544-1424

kingston@jlrichards.ca

Sudbury

314 Countryside Drive
Sudbury ON Canada
P3E 6G2
Tel: 705 522-8174

sudbury@jlrichards.ca

Timmins

834 Mountjoy Street S
Timmins ON Canada
P4N 7C5
Tel: 705 360-1899

timmins@jlrichards.ca

North Bay

200-175 Progress Road
North Bay ON Canada
P1A 0B8
Tel: 705 495-7597

northbay@jlrichards.ca

Hawkesbury

326 Bertha Street
Hawkesbury ON Canada
K6A 2A8
Tel: 613 632-0287

hawkesbury@jlrichards.ca

Guelph

107-450 Speedvale Ave. West
Guelph ON Canada
N1H 7Y6
Tel: 519 763-0713

guelph@jlrichards.ca

