



MEMORANDUM

Agenda Item # 5

TO: Metropolitan Planning Commission

FROM: Mark Donaldson, Executive Director

DATE: September 12, 2013

SUBJECT: Amendments to the City of Knoxville Zoning Ordinance regarding definitions and development standards for small breweries, wineries and distilleries in certain commercial and industrial zone districts.
9-A-13-OA

REQUEST

MPC has been requested by the City of Knoxville administration to consider and make a recommendation on amendments to the City of Knoxville zoning ordinance regarding definitions and development standards for small breweries, wineries and distilleries in certain commercial and industrial zone districts.

BACKGROUND

The city's zoning ordinance often acts as an impediment to new economic development trends. The craft brewing, winery and distillery industry is a rapidly expanding trend throughout the United States. As the market for craft beer, wines and distillates has grown and the land use has become more popular, a large number of communities have addressed this activity in their zoning ordinances. Generally, the smaller scale of these operations have been seen as appropriate for commercial and mixed use activity districts, particularly in association with other retail, eating and drinking establishments.

It is the desire of the city administration to remove barriers to economic development and simplify and clarify the zoning ordinance.

Staff offers proposed definitions, appropriate zoning districts and development standards for these uses.

EXISTING REGULATIONS

The city's zoning ordinance is dated and does not specifically address brewpubs or breweries, wineries and distilleries with any size distinction. It currently prohibits brewing or distillation of malt beverages and liquors in the I-3 (General Industrial) district and permits alcohol manufacture in the I-4 (Heavy Industrial) district.

Brewpubs are not specified in the zoning ordinance but have been permitted as accessory to eating and drinking establishments by virtue of a subordinate and secondary nature of the brewing activity to the eating and drinking activity.

ANALYSIS

Brewpubs and small breweries, distilleries and wineries are a significant and rapidly growing industry throughout the U.S. and many cities have amended their zoning ordinances within the past several years. There is a good body of zoning approaches from which to draw. The west coast, northeast and mountain states have many examples.

Brewpubs are most often defined as having production facilities that are accessory to principal eating and drinking establishments with some sort of control on production and are most often allowed anywhere an eating or drinking establishment is allowed.

Small manufacturing facilities are most often regulated to control the size of operation, either through the area allowed for production or through a cap on the volume of daily or annual production. Many places allow these facilities in all or most commercial and industrial districts, either by right or through a conditional use process similar to our use permitted on review. These types of facilities are called by a number of different names, including: nano-facilities, micro-facilities, artisan-facilities, niche facilities and craft facilities.

Other than parking at brewpubs because of the popularity of these types of facilities, there have been little documented negative impacts. The issues of odor, truck traffic, and fire hazards have been analyzed and no specific problems have been addressed through zoning regulations.

STRATEGY

The proposed amendments reflect a strategy to include the following:

- define brewpubs as accessory to an eating or drinking establishment which will keep the production facility smaller than the eating and drinking portion of the establishment, cap the amount of area devoted to the on-site production of beverages and allow them in the same districts that eating and drinking establishments are allowed;
- define craft facilities, allow them in combination with other uses such as eating and drinking establishments and retail as a part of the operation, cap the amount of area devoted to production of beverages, allow them in most commercial and industrial zones and establish development standards;
- define breweries, distilleries and wineries to replace the current language in the zoning ordinance, allow them in all industrial zones and establish development standards.

The following table summarizes the proposed zone districts were these facilities could be allowed:

Type of Facility	C-1	C-2, C-3, C-4, C-5, C-6, C-7, SC-1, SC-2, SC-3, PC-1, TC-1			I-1, I-2, I-3			I-4
Brewpub	UR	P	P	P				
Craft Brewery, Winery or Distillery		UR	UR	UR	P	P	P	P
Brewery, Winery or Distillery					UR	UR	UR	P

P – Permitted Use

UR – Use Permitted on Review

PROPOSED AMENDMENTS

The proposed amendments are found in the attached exhibits:

- Exhibit B presents proposed definitions to be added to the zoning ordinance;
- Exhibit C presents proposed text amendments adding brewpubs and craft breweries, distilleries and wineries to the list of uses permitted in various commercial districts;
- Exhibit D presents proposed text amendments adding craft and other breweries, distilleries and wineries to the I-1, I-2, and I-3 districts;
- Exhibit E presents proposed text amendments adding craft and other breweries, distilleries and wineries to the I-4 district
- Exhibit F presents use on review standards for craft facilities; and
- Exhibit G presents development standards for craft and other facilities in the industrial districts.

STAFF RECOMMENDATION

Staff recommends that the planning commission recommend approval of the proposed amendments shown in exhibits B, C, D, E, F and G to the City of Knoxville Zoning Ordinance.

Current Use of related terms

Article IV, Section 2.3.2 I-3, General Industrial District

D. Prohibited uses and structures. ...; *brewing or distillation of malt beverages or liquors;*

Article IV, Section 2.3.3 I-4, Heavy Industrial District

B. Uses permitted. Property and buildings in the I-4 heavy industrial district shall be used only for the following purposes:

2. Any of the following uses:

c. Alcohol manufacture

Proposed Additional Definitions

Additions to Article II – Definitions

Brewpub - A type of eating or drinking establishment that includes as an accessory use the production of malt liquors, regardless of alcohol content by volume, for consumption on the premises; except that sales for off-premises consumption, if not prohibited by other local ordinance or state or federal law, shall be allowed in specialty containers holding no more than one U.S. gallon (128 U.S. fluid ounces), commonly referred to as growlers. The area of the establishment devoted to the production of malts liquors shall not exceed five thousand (5,000) square feet.

Brewery - A facility where malt liquors, regardless of alcohol content by volume, are produced in accordance with any manufacturing or wholesaling license required by Tennessee Code Annotated.

Winery - A facility where vinous liquors are produced in accordance with any manufacturing or wholesaling license required by Tennessee Code Annotated.

Distillery - A facility where distilled liquors or spirits are produced in accordance with any manufacturing or wholesaling license required by Tennessee Code Annotated.

Craft brewery, winery and distillery - A type of brewery, winery or distillery wherein the area of the establishment devoted to the production of malts and liquors shall not exceed ten thousand (10,000) square feet in commercial zone districts or twenty thousand (20,000) square feet in industrial zone districts. The establishment shall include a tasting room and may also include office, retail, eating and drinking establishment or event facility components in addition to the area devoted to production of malts and liquors.

Tasting room - A facility, or portion of a facility, accessory to a brewery, winery or distillery at which guests may sample the manufacturer's products and consume other nonalcoholic beverages.

Proposed Text Amendments to Allow Brewpubs and Craft
Breweries, Distilleries and Wineries as Permitted Uses and Uses
Permitted on Review in Commercial Zone Districts

Article IV, Section 2.2.4 C-1, Neighborhood Commercial District

.
C. Uses permitted on review.

.
.
.

4. Restaurants ~~Eating and drinking establishments, brewpubs~~

◇ ◇ ◇ ◇ ◇

Article IV, Section 2.2.5 C-2, Central Business District

.
B. Uses permitted.

.
.

5. Eating and drinking establishments, **brewpubs**.

C. Uses permitted on review.

.
.

5. Craft breweries, distilleries and wineries

◇ ◇ ◇ ◇ ◇

Article IV, Section 2.2.6 C-3, General Commercial District

.
B. Uses permitted.

.
.

2. Delicatessens and bakeries, eating and drinking establishments, **brewpubs**.

C. Uses permitted on review.

.
.

7. Craft breweries, distilleries and wineries

◇ ◇ ◇ ◇ ◇

Article IV, Section 2.2.7 C-4, Highway and Arterial Commercial District

.
B. Uses permitted. [NOTE: Includes uses permitted in the C-3 zone district]

C. Uses permitted on review.

.
.

7. Craft breweries, distilleries and wineries



Article IV, Section 2.2.8 C-5, Tourist Commercial District

.
B. Uses permitted.

.
2. Restaurants **eating and drinking establishments** (not including hamburger, ice cream, soft drink, or other drive-in eating stand), **brewpubs**.

C. Uses permitted on review.

.
.

3. Craft breweries, distilleries and wineries



Article IV, Section 2.2.9 C-6, General Commercial Park District

.
B. Uses permitted. [NOTE: Includes uses permitted in the C-3 zone district]

.
C. Uses permitted on review.

6. Craft breweries, distilleries and wineries



Article IV, Section 2.2.10 C-7, Pedestrian Commercial Park District

.
B. Uses permitted.

.
5. Eating and drinking establishments, **brewpubs**.

C. Uses permitted on review.

7. Craft breweries, distilleries and wineries



Article IV, Section 3.2 SC-1, Neighborhood Shopping Center District

.
B. Uses permitted.

1.

.
. Eating and drinking establishments, **brewpubs**.



Article IV, Section 3.3 SC-2 and SC-3, Community and Regional
Shopping Center District

.
B. Use Descriptions.

1. *Community shopping center.* In addition to the uses permitted in the SC-1 district, department stores and theaters, but not open air or drive-in theaters, as well as craft breweries, **distilleries and wineries**, shall be permitted in the SC-2 community shopping center district.



Article IV, Section 3.4 PC-1, Planned Commercial District

- .
- B. Uses permitted.
- .
- .
- 12. Eating and drinking establishments, **brewpubs**.

- Ba. Uses permitted on review.
- .
- 2. Craft breweries, distilleries and wineries**



Article IV, Section 3.5 PC-2, Retail and Distribution Park District

- .
- B. Uses permitted. [NOTE: Includes uses permitted in the PC-1 zone district]
- .

- Ba. Uses permitted on review.
- .
- 2. Craft breweries, distilleries and wineries**



Article IV, Section 3.12 TC-1, Town Center District

- .
- C. Uses permitted.
- .
- .
- 5. Eating and drinking establishments, **brewpubs**.

- D. Uses permitted on review.
- .
- 4. Craft breweries, distilleries and wineries**

Proposed Text Amendments to Allow in the I-1, I-2 and I-3 Zone Districts:

- Brewpubs as Permitted Uses in I-3 only
- Craft Breweries, Distilleries and Wineries as Permitted Uses; and
- Breweries, Distilleries and Wineries as Uses Permitted on Review

Article IV, Section 3.9 I-1, Planned Industrial District
B. Uses Permitted.

.
.

8. Craft Breweries, Distilleries and Wineries

Ba. Uses Permitted on Review

.
.

3. Breweries, Distilleries and Wineries

◇ ◇ ◇ ◇ ◇

Article IV, Section 2.3.1 I-2, Restricted Manufacturing and
Warehousing District

B. Uses Permitted.

.
.

3.
u. Craft Breweries, Distilleries and Wineries

C. Uses Permitted on Review

.
.

3. Breweries, Distilleries and Wineries

◇ ◇ ◇ ◇ ◇

Article IV, Section 2.3.2 I-3, General Industrial District

B. Uses Permitted. [NOTE: Includes uses permitted in the I-2 zone district]

.

2.b. Retail, service, ~~and~~ eating and drinking establishments, and brewpubs.

C. Uses Permitted on Review.

.

.

3. Breweries, Distilleries and Wineries

D. Prohibited Uses and Structures.; ~~brewing or distillation of malt beverages or liquors;~~

Proposed Text Amendment to Allow in the I-4 Zone District
Breweries, Distilleries and Wineries as a Permitted Use

Article IV, Section 2.3.3 I-4, Heavy Industrial District

.
B. Uses Permitted.

.
2. Any of the following

.
.

~~c. Alcohol Manufacture~~ **Breweries, distilleries and wineries**

Proposed Use on Review Standards for Craft Breweries,
Distilleries and Wineries

Article V, Section 3 Development Standards for Uses Permitted On Review

F. Other Uses Permitted on Review.

.
. .
.

13. Craft breweries, distilleries and wineries.

- a. **No outdoor storage shall be permitted;**
- b. **All malt, vinous or distilled liquor production shall be within completely enclosed structures;**
- c. **Loading areas shall not be oriented toward a public street, nor shall loading docks be located on the side of any building facing an adjacent zone district primarily for residential or office uses. Where these districts or streets abut all sides of the property, the loading areas shall be screened by a solid wall or opaque fence with a minimum height of six (6) feet, in addition to any required landscape buffer.**
- d. **Service doors facing a public street or an adjacent zone district primarily for residential uses shall be screened by a solid wall or opaque fence with a minimum height of six (6) feet, in addition to any required landscape buffer.**
- e. **By-products or waste from the production of the malt, vinous or distilled liquor shall be properly disposed of off the property.**

Proposed Standards for Breweries, Distilleries and Wineries

Article V Supplemental Regulations Applying to a Specific, To Several or To All Districts

Section 23 Development Standards for Breweries, Distilleries and Wineries

A. For craft breweries, distilleries and wineries allowed as permitted uses in the I-1, I-2 and I-3 zone districts the following development standards shall apply:

- 1. No outdoor storage shall be permitted;**
- 2. All malt, vinous or distilled liquor production shall be within completely enclosed structures;**
- 3. Loading areas shall not be oriented toward a public street, nor shall loading docks be located on the side of any building facing an adjacent lot that is in a zone district primarily for residential or office uses. Where these districts or streets abut all sides of the property, the loading areas shall be screened by a solid wall or opaque fence with a minimum height of eight (8) feet, in addition to any required landscape buffer;**
- 4. Service doors facing a public street or an adjacent lot that is in a zone district primarily for residential uses shall be screened by a solid wall or opaque fence with a minimum height of six (6) feet, in addition to any required landscape buffer; and**
- 5. By-products or waste from the production of the malt, vinous or distilled liquor shall be properly disposed of off the property.**

B. For breweries, distilleries and wineries allowed as permitted uses in the I-4 (Heavy Industrial) zone district the following development standards shall apply:

- 1. No facilities within 400 feet of a residential use or zone district primarily for residential uses;**
- 2. All malt, vinous or distilled liquor production shall be within completely enclosed structures;**
- 3. Loading areas shall not be oriented toward a public street, nor shall loading docks be located on the side of any building facing an adjacent lot that is in a zone district primarily for residential or office uses. Where these districts or streets abut all sides of the property, the loading areas shall be screened by a solid wall or opaque fence with a minimum height of eight (8) feet, in addition to any required landscape buffer;**
- 4. Service doors facing a public street or an adjacent lot that is in a zone district primarily for residential uses shall be screened by a solid wall or opaque fence with a minimum height of six (6) feet, in addition to any required landscape buffer; and**
- 5. By-products or waste from the production of the malt, vinous or distilled liquor shall be properly disposed of off the property.**