



AgRefresh

**STAGE 3 REPORT | EXCERPT
ALCOHOL PRODUCTION**





2.10 Alcohol Production Facilities

Enable farm breweries, meaderies, distilleries

The growth in popularity of craft beer and cider has spurred the cultivation of hops, local grains, and fruits, and broadened interest in on-farm alcohol production beyond just wine. Meaderies, cideries, and distilleries are also increasing in popularity, but to a lesser extent.

The Zoning Bylaw currently regulates wineries and cideries, but does not address ALC permissions for breweries, meaderies and distilleries. AgRefresh provides an opportunity to modernize City regulation to support this growing industry in a manner that remains compatible with surrounding farming areas.

2.10.1 Decision Makers

Proposals compliant with the Zoning Bylaw proceed directly to Building Permit.

2.10.2 What we heard in Stage 3

'Early Ideas' explored through Stage 3 engagement

- Add breweries, meaderies, and distilleries as permitted and regulated uses in the Zoning Bylaw.
- Only permit alcohol production if licensed by the Province and in compliance with the *ALC Act*.
- Limit the processing area (brewing area) to a maximum of 2,000 m²
- Allow 125 m² of indoor and 125 m² of outdoor space for retail sales, sampling, and/or a food and beverage service.
- Establish building setbacks suitable to the use.
- Establish a minimum lot size.

Stage 3 engagement feedback highlights*

- 91% of respondents agreed or somewhat agreed with early ideas.
- Some respondents expressed a desire for more space, and wanted to see the 50% ALC rules relaxed, whereas other felt this use should be limited to commercial and industrial areas.

**A full summary of Stage 3 engagement material and feedback is available in the "Stage 3 Winter 2017-18 Engagement Results" report.*

2.10.3 Draft Recommendations

A SNAPSHOT

Zoning Bylaw Highlights

- Consolidate wineries, cideries, breweries, meaderies, and distilleries into a single “Farm Alcohol Production Facility” use.
- Only permit the use on a lot with ‘farm’ classification
- Update setbacks for buildings, structures, outdoor areas.
- Clarify parking requirements.
- Establish a minimum 1.5 ha lot size.
- Establish a maximum Farm Alcohol Production Facility size in relation to lot size.
- Update size regulations for ancillary activities of sampling, sales, food and beverage service areas, and food preparation areas, with more flexibility and improved clarity.
- Clarify regulations for outdoor picnic and special event areas.





DRAFT POLICY AND REGULATION UPDATES

Updated
(Zoning)

ALC
Alignment

Modernized Definition

“**Farm Alcohol Production Facility**” has the same meaning as in the *ALR Use Regulation*, and includes ancillary use as defined in that regulation.

An explanatory note within the Zoning Bylaw clarifies the use to include a brewery, cidery, distillery, meadery or winery, and the following ancillary uses: processing, storing and retail sales of alcohol products produced on the farm, operation of a food and beverage service lounge, product sampling, cooking classes, events, picnicking, and tours, provided all required Provincial licensing is in place.

New
(Zoning)

Minimum Lot Size

Only permit a Farm Alcohol Production Facility on a lot that is 1.5 ha or larger.

New
(Zoning)

Maximum Facility Size (buildings and structures)

The existing Zoning Bylaw sets floor area limits for specific aspects of a farm alcohol production facility, but does not address overall facility size.

Draft provisions propose to regulate facility size in relation to lot size, allowing larger lots to have facilities up to 2,000 m².

The following floor area maximums are proposed for buildings and structures used for alcohol production and ancillary uses:

Lot Size	Max. Floor Area
1.5 ha to 4.99 ha	1,000 m ²
5.0 ha and larger	2,000 m ²



Updated
(Zoning)

ALC
Alignment

Ancillary Activities*

The Zoning Bylaw currently limits the combined area for product sampling, alcohol sales, and food/beverage service to 125 m² indoors and 125 m² outdoors. Picnic areas are also permitted.

The *ALR Use Regulation* allows up to 125 m² of indoor space and 125 m² of outdoor space for food and beverage service lounges, but is silent on the size of sampling areas, alcohol sales areas, picnic areas, special event areas, food preparation space, and the alcohol manufacturing areas.

Proposed regulations aim to increase flexibility and allowable space, clarify permitted activities, and align with ALC provisions.

Similar to microbreweries in industrial areas, AgRefresh proposes to allow use of up to 33% of alcohol production buildings and structures for ancillary uses, and limits each activity to the following size limits.

Ancillary Use*	Maximum Size
Indoor or outdoor alcohol sampling and retail sales areas	125 m ² combined total
Indoor food and beverage service lounge, including areas used for cooking classes	125 m ² combined total
Outdoor food and beverage service lounge	125 m ² combined total
Kitchen and food prep areas supporting a licensed food and beverage service lounge	An additional area equal to 20% of the food and beverage service lounge area(s).

Regulations propose to clarify that dedicated indoor areas or permanent structures are not permitted for ‘special event area’ endorsements on the Manufacturer license. However, a proponent can apply for a ‘special event area’ endorsement for an outdoor space, or an area constructed for the uses above.

*Ancillary uses are only permitted with applicable Provincial licensing



*Ancillary activities are only permitted with applicable Provincial licensing

Updated
(Zoning)

ALC
Alignment*

Use of Outdoor Areas

Subject to individual ancillary use size limits, AgRefresh proposes a 250 m² cumulative cap on the following outdoor uses:

- alcohol sampling
- food and beverage service lounge
- special event area (approved by LCRB) that does not involve installation of permanent structures or hard surfaces (i.e., asphalt, concrete, gravel).

Updated
(Zoning)

Special Event Areas

As referenced in previous sections, a Farm Alcohol Production Facility can apply to the Liquor and Cannabis Regulation Branch (LCRB) to add a 'Special Event Area' endorsement to the Manufacturer license.

Special Event Areas are indoor or outdoor areas on the farm where patrons can consume liquor during special events such as weddings or parties. They are event driven and not an extension or alternative to a food and beverage service lounge.

A Special Event Area endorsement permits multiple events within the capacity and hours set by site specific the LCRB approval. ALC regulation acknowledges the option for 'special event areas' at farm alcohol facilities, but does not regulate the area, number of events, or maximum attendance. This contrasts the 150 person and 10 per year maximums set by the ALC for "ALR Gathering Events" on all farms.

For clarity, AgRefresh proposes specific parameters for regulating Special Event Area endorsements:

Indoor: (see Ancillary Areas)

- Permit overlapping use of the alcohol facility retail, tasting, and lounge areas, or a combination thereof.
- Do not permit purpose-built indoor areas or structures for Special Event Area endorsements.

Outdoor: (see Use of Outdoor Areas)

- Allow Special Event Areas as part of a combined 250 m² outdoor maximum that may also overlap with an outdoor lounge and/or alcohol sampling area
- May not involve the installation of permanent structures or permanent hard surfaces.



Updated
(Zoning)

Picnic Areas

An LCRB ‘picnic area endorsement’ is another option for farm alcohol facilities, allowing the farmer to identify an open air outdoor area where patrons can drink liquor they have purchased from the facility or received from the sampling area. Service is not permitted in picnic areas.

Proposed Zoning Bylaw updates continue to permit picnic areas without a size limit, but clarify that the installation of permanent structures or permanent hard surfaces (i.e., gravel, concrete, asphalt) is not permitted.

Updated
(Zoning)

Setbacks

Ministry
Alignment

New building and structure setbacks are proposed for all enclosed buildings and structures, consistent with the Minister’s Bylaw Standards:

- 7.5 m from exterior lot lines (currently 9 m)
- 4.5 m from interior lot lines (currently 3.0 m)

While not specifically addressed in the Minister’s Bylaw Standards or the City Zoning Bylaw, the following setbacks are proposed for outdoor (unenclosed) lounges, special event areas, and picnicking spaces:

- 7.5 m from exterior lot lines
- 15.0 m from interior lot lines
- 30.0 m from a dwelling unit on any adjacent lot



New
(Zoning)

ALC Requirements

ALC
Alignment

Farm Alcohol Production Facilities will only be permitted if conducted in accordance with the *Agricultural Land Reserve Use Regulation*, including the applicable 50% primary farm product source requirements (i.e. grapes, barley, fruit, honey used to make the alcohol).

Similar to other operational ALC requirements, the 50% farm product rules are highlighted by an explanatory note citing the relevant section of the *ALR Use Regulation*.



New
(Zoning)

Parking

A new parking requirement is proposed for ancillary uses that draw public visitors (i.e., sampling areas, lounges, retail).

POSSIBLE SCENARIOS

Proposed regulations facilitate farm alcohol production facilities in two size increments, based on lot size. With coordinated size limits for ancillary uses, the farmer has the option to adapt the facility as the business grows and Provincial licensing or endorsements are obtained.

The following table outlines a few potential scenarios under the draft regulations. Several other combinations would be possible, however, no facility would be permitted to exceed:

- 2,000 m² of floor area for all buildings and structures;
- 425 m² of building and/or structure floor area for ancillary activities, such as sales, sampling, lounge space, and food preparation; and
- 250 m² of outdoor area for sampling, lounge, or special event areas
- No size limit on picnic areas (buildings, structures, or hard surfaces not permitted)

Summary of Maximum Ancillary Areas per Facility

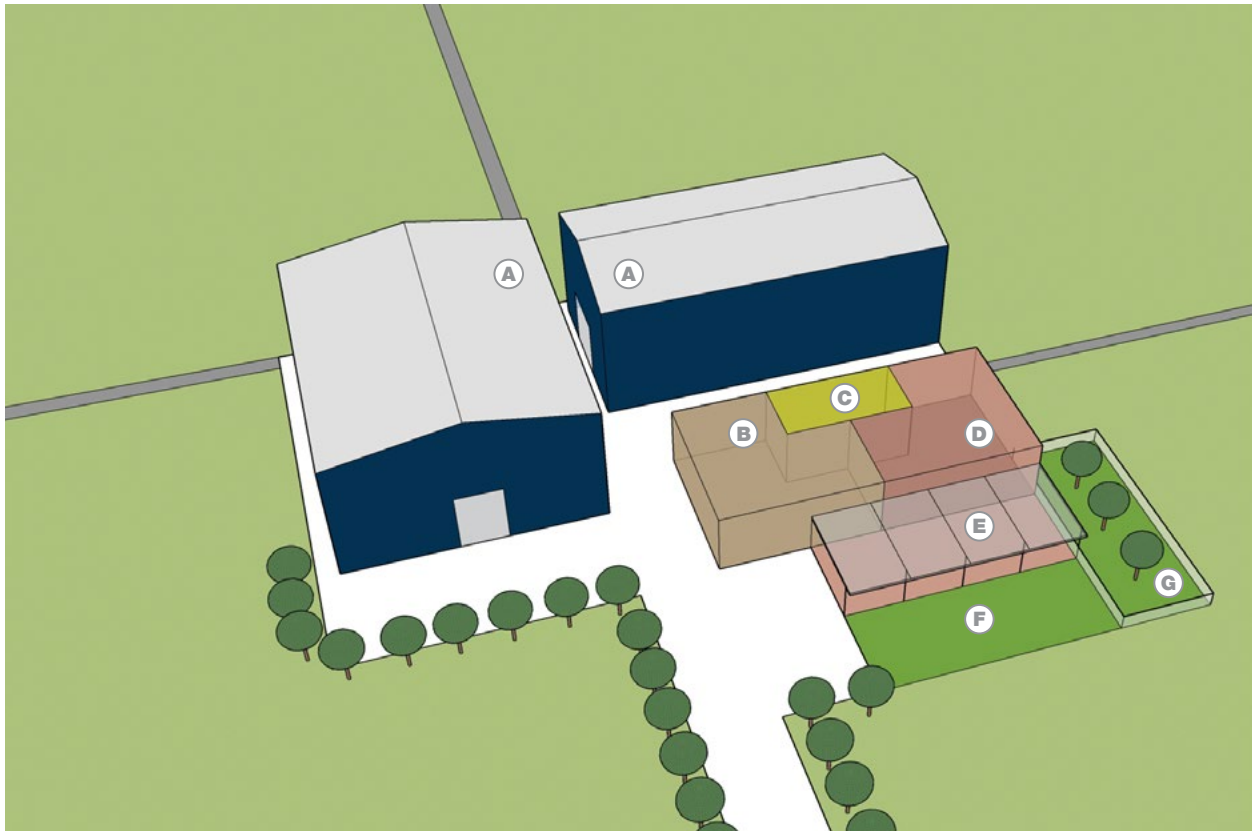
- 125 m² for alcohol sampling and retail sales (indoor or outdoor)
- 125 m² for an indoor food and beverage service lounge
- 125 m² for an outdoor food and beverage service lounge
- 250 m² total cap on outdoor areas for any of the following: retail, sampling, lounges, special event areas; all subject to the individual use limits above

Lot Size	1.5 ha - 4.99 ha			5 ha +		
	A	B	C	A	B	C
Max. Farm Alcohol Facility Size	1,000 m ²			2,000 m ²		
Maximum area for ancillary uses associated with Buildings or Structures (33% of total)	330 m ²			660 m ² (capped at 425 m ²)		
Example Scenarios	A	B	C	A	B	C
Buildings and Structures						
Sales & product sampling in a building or with a structure (i.e., indoor, covered outdoor area, on a deck, etc.)	●	◐	○	●	◐	○
Indoor food & beverage service lounge	●	●	○	●	●	○
Outdoor food & beverage service lounge with a structure (i.e., covered area, or on a deck)	◐	●	○	●	○	○
Kitchen/food preparation area (up to 50 m ²)	◐	●	○	●	●	○
Alcohol production area	670m ²	670m ²	1,000m ²	1,575m ²	1,700m ²	2,000m ²
Other Outdoor Areas						
Outdoor product sampling area (not on a deck or under a structure)	○	◐	○	○	◐	○
Outdoor food and beverage service lounge (not on a deck or under a structure)	◐	○	○	○	●	○
Special Event Area (no structures or hard surfaces)	◐	◐	●	●	◐	○

● Full Size ◐ Partial Size ○ Not provided

Fig. 15: Farm Alcohol Production Facility Scenarios

Sample Illustration | Farm Alcohol Production Facility on a parcel over 5 hectares



Farm Alcohol Production Facility (max 2,000 m²)

- A** Alcohol manufacturing and storage areas (e.g., fermentation, brewing, distilling, barrel rooms, bottling, supplies, packing/packaging (900 m² to 1,575 m²))
- B** Farm alcohol retail sales and/or sampling (up to 125 m²)
- C** Food preparation area/kitchen supporting the indoor and outdoor food and beverage service lounges (up to 50 m²)
- D** Indoor food and beverage service lounge (up to 125 m²)
- E** Outdoor food and beverage service lounge (up to 125 m²)
- F** Outdoor special event area - no permanent structures or hard surfaces, such as asphalt, cement, gravel (up to 125 m²)
- G** Picnic area - no size limit, permanent structures or hard surfaces (asphalt, cement, gravel) not permitted

Buildings and structures for these uses shall not exceed 33% of the total farm alcohol facility floor area

Outdoor service areas shall not exceed a total area of 250 m² - excludes picnic areas

Fig. 16 Conceptual Alcohol Production Facility floor area breakdown