



MICROBREWERY TEXT AMENDMENT

The second Microbrewery Text Amendment Meeting was held January 29, 2013. The purpose of the meeting was to review potential definitions, districts and discuss secondary uses.

The following are notes provided by CAG members and a staff provided summary.

NEXT CAG MEETING

March 7, 2013 • 6 - 7:30

Charlotte Mecklenburg Government Center • Room 280

rsvp: bdixon@charlotteNC.gov

TABLE 1

CHRISTIAN STAPLE, CHRIS BAZZLE, CHRIS HARKER, CHERYL MYERS, AND HENRY DEPEW



We were comfortable with the definition of a brewery. We noted that it was broad, but we felt that was the way it should be.

In terms of the zoning, we were hoping that some of the B + C districts would be included. We feel like there is a strong desire for a brewery in Plaza Midwood. We felt that the 13,000 square footage limitation for non-industrial zones was unnecessary and could actually be a limiting factor in many cases. If 50K square feet is the limit for industrial uses, we feel that 13K for non-industrial zones is too restrictive. 20-25K would be more desirable. As an alternative to eliminating the 13K limitation for non-industrial zones, we agree with the proposal of other groups to raise the square footage requirements for breweries that will adapt existing buildings as opposed to new construction. We did not come to any consensus on the appropriate square footage limitations for adaptive uses, but we believe 20-25K seems appropriate as an intermediate point between industrial zones and non-industrial zones. We also wondered if there was a procedure for petitioning for an exception to the zoning restrictions, for example, if a building was 13,100 square feet, is there a process for formal hearings on this issue?

For accessory uses, we could not really think of anything that would be inappropriate, within the confines of existing law (i.e. noise restrictions). We felt that breweries and taprooms should be able to do the same things that bars and restaurants can do. Examples include live music, formal meetings/gatherings, wedding receptions, etc.

We distinguished a taproom from a bar by noting that a taproom typically only serves beer and perhaps a very limited amount of water, sodas and wine, but not liquor. We felt that a tap room should be able to serve food if they wanted to. We did not see any reason to limit a tap room's hours, but most people seemed to be on-board with a mandatory closing time of midnight as opposed to 2am.

TABLE 2

KEVIN McNEARNY, TODD FORD, SUZIE FORD, JOHN MARRINO, MEGAN LIDDLE GUDE, PHIL BUCHY, ERIC BUCHY

How did planning come up with the 13,000 ft maximum for breweries in urban districts?

- Without an explanation, this limit seems arbitrary. Why 13,000?
- What if there are existing buildings larger than 13,000 ft in urban districts zoned MUDD or TOD? Many current breweries are in spaces that are larger than this, and at least one new brewery is considering locating in a building that is larger than 13,000 and in TOD.

- Would the 13,000 maximum apply only to new construction?
- **One perspective:** A 13,000 ft restriction on urban zones seems reasonable when compared to the already existing breweries in the Charlotte area and around the southeast. My facility is just less than 12K ft size and I can make a lot of beer if I effectively use the available space. I do recognize the city's desire to encourage business and residential use of the more urban zone models and the concession to allow any breweries in these zoning categories should be tempered with modest restrictions that will still encourage urban living and eliminate the warehouse and industrial feel of extremely large buildings. The building of this size (13K and larger) that remain are normally subdivided to become mixed use and this is what the zoning regulations were supposed to encourage in the first place. I would suggest the 13K restriction be made on new and existing buildings.



- **A different perspective:** The limitation of 13,000 sq/ft should apply to new construction in zones TOD, MUDD, UMUD, PED. There should be a greater limited set to 25,000 square feet to be considered for the adaptive reuse of existing buildings. I believe there is a misperception that 13000 ft is an extremely large building. Yes you can produce a lot of beer from a 13,000 square foot building, but as a successful brewing business grows, it will be quickly realized how limiting 13,000 ft actually is. The suggested 25,000 ft (adaptive reuse) building is also not an extremely large building and should be an acceptable limit, to satisfy concerns of overwhelming massive industries in urban areas. It will also encourage adaptive reuse in areas that need redevelopment. It will also attracted potential craft brewery investment and growth to Charlotte.



We would like the Planning Department to devote time in the next meeting to explaining and discussing the square foot maximum part of the proposal, including:

- o Why 13,000 ft was recommended by staff,
- o What this would mean for new construction, AND
- o What this would mean for existing buildings & adaptive re-use of buildings larger than 13,000 ft.



COMMENTS ON PROPOSED ZONING

- It makes sense to require a tap room for breweries in urban zones (MUDD, UMUD, TOD, PED).
- For breweries in I-1 and I-2, tap rooms should not be required but they should be allowed.
- Tap rooms in I-1 or I-2 zones should not be subject to more restrictions than tap rooms in MUDD, UMUD, TOD and PED zones.
- Until it is revised, the restaurants and bars ordinance requires

bars and nightclubs to be 400 feet from residential areas. This is actually greater than the setback distance required between I-2 and residential zones. If a tap room enhances the neighborhood in an urban district –and we argue that it does—then so does a tap room in a neighborhood zoned I-1 or I-2. We hope that the revised restaurants and bars ordinance reflects this. We understand that the revision of the restaurants and bars ordinance text is part of a separate community advisory process running parallel to the microbrewery discussion.

- We support the removal of square footage restrictions on I-1 properties as they are industrial to begin with and already are being used for similar purposes such as baking bread, roasting coffee, etc.

DEFINING TAP ROOMS & TASTING ROOMS

- Tap room – Open to the public at regular hours with beers on tap. Majority of what you sell is produced on-site.
- NoDa Brewing Company and Olde Meck will occasionally feature each other's beer, usually for celebration when a particular beer wins special recognition. We would not want to see a regulation requiring tap rooms to sell only their own beer, limiting their ability to celebrate other great brews produced locally.
- Olde Meck also offers wine not produced on site. It only makes up a small part of their sales, but it is important to offer it for people who want to gather with friends in the tap room but do not drink beer.
- Having a tap room is an important part of the business model for most brewers. It is a chance for people to come and try out your beers in a social setting, helps establish brand, and raises revenue that allows the business to grow.
- We support the addition of a Brewery Tap Room definition that allows the sale without restriction of set-backs (i.e. bar-residence setbacks) as long as more than 75% of the beer being served was produced on location. This clause would allow Tap Rooms to introduce their customers to other craft beers produced in North and South Carolina as long as the amount made off location did not exceed 25%.
- Tasting room – Place for sampling beer on tap after a brewery tour. Usually used only where local regulations prohibit a full tap room without a tour. These do not do as well as tap rooms. Tasting rooms do not generally serve as neighborhood gathering places in the same way that tap rooms do.
- We recommend leaving the “tasting room” concept out of the proposal. This is a term that is being used in many states with much more restrictive brewing and distribution laws. It discourages the beer culture that Charlotte is attempting to foster. If you have any questions on this just ask our friend Henry Depew of RJ Rockers of Spartanburg, SC.



BREWERY

AN ESTABLISHMENT THAT MANUFACTURES BEER.

TABLE 3

RUSSELL FERGUSON,

DEFINITIONS:

Micro-breweries tend to be unique small level production facilities that incorporate a tasting room and offer the chance for visitors to tour the brewery, meet the staff, and sample some of the beers. Successful breweries have a strong connection to the city and even neighborhoods that they are located.

The city should be carefully studying the impact of the changing definitions so that it does not:

1. Hurt the existing companies that have played by the rules and are still young companies.
2. Give an unfair advantage to outside investment groups, who will not contribute to the local economy any more than they are required and whose presence could inhibit growth of authentic local breweries

If the city is going to regulate breweries by size, then it should probably be based on production limits. Because recording production amounts is already required by federal law, production limits are an accurate and accessible way to distinguish breweries. Production limits make more sense than the use of a square footage requirement and are not as likely to restrict flexibility in the adaptive re-use of buildings. While many new breweries may be able to afford to move into an older building, few, if any, can afford to build or demolish existing buildings. Square footage restrictions force potential business to seek conforming buildings. The result may be that many vacant buildings remain vacant because they are too large despite serious economic potential.

There should be no limitation on hours of production. Production is very similar to a bakery and is unlikely to cause negative impacts to neighboring properties.

CONCERNS:

- That the planning department may be acting without proper study of the impact on existing local breweries.
- That the brewery text amendment process is cross-referencing nightclub and restaurant changes when the Planning department is currently seeking to change those definitions.
- If the brewery text amendment process cross-references definitions that are currently being changed, how can the potential impacts be accurately considered?
- Proposed restrictions may limit adaptive re-use of buildings. . . one of the strong points of the brewery industry is the history of revitalizing old (vacant) buildings.



The planning department has proposed language/restrictions that were not discussed at the first citizen advisory meeting or were discussed and rejected by nearly all in attendance. In the future the planning department should accurately identify its proposals and not seek to introduce them as the result of citizen input. The planning department should identify these items and explain the reasoning as opposed to mixing in its ideas in the context of a citizen advisory meeting. Perhaps the planning department should give a summary of its own actions, including actions, decisions and participants, taken between the CAG meetings.

PROPOSE DISTRICTS:

Proposed districts could be expanded to allow for additional districts under more restrictive prescribed uses.

Existing districts (I-1 and I-2) should have less restrictions than MUDD, PED, UMUDD and TOD

Specifically, we did not see a good reason for placing a linear distance requirement from other uses.

ACCESSORY AND COMPLIMENTARY USES:

Taprooms

1. Definition – Accessory use to a brewery maintained predominately for the purpose of tasting, selling and consumption of alcohol beverages manufactured on the premises or at a production facility of a related entity, including the sale of take home containers such as kegs, growlers, bottles and cans as may be allowed under federal and state law. May provide entertainment.
2. Taprooms are a quintessential aspect of the brewery experience. Taprooms are different from other bars and restaurants.
3. Some taprooms provide food prepared onsite, some have options for food delivery or catering through mobile vendors. Other taprooms do not offer food. Each is unique and this uniqueness is what makes them special.
4. Taprooms traditionally have live music and occasional events for charitable purposes, to mark anniversaries and special releases of new or unique products.
5. Hours should follow state law and not be restricted by local ordinance.
6. Because all establishments are regulated by city laws and ordinance such as noise ordinances, which are enforced by police, there is no need or feasible enforcement scenario for Zoning code to incorporate restrictions on music or other forms of entertainment.

TABLE 4

JASON ALEXANDER, DANIEL HARTIG,

1. The definition of a brewery should be written to include both production and tap room. The current definition is too limiting and may prevent a brewery from maximizing their options and abilities within their space. A tap room is specific and unique to a brewery and should be defined as such to prevent it from falling under the bar/nightclub/restaurant category.
2. Limiting the square footage of a brewery also limits their ability to maximize profits outside of basic production (for example tap room or event space). Preferable to using square footage would be to use industry standards already set by the Brewer's Association for production. Reporting this is already standard practice for breweries who report out on their production yearly for tax purposes.

Our smaller group didn't really get into the definition of a tap room other than the primary purpose being to serve beer and keeping it that general to retain the ability to have guest taps. The larger group didn't have a very helpful discussion about this, either, but I definitely see it as a major priority so we can control our own destiny rather than falling into all the crazy regulations imposed on bars and nightclubs.

SUMMARY

The Planning Department will take all of the input collected from the CAG and explore feasibility based on the City's model of zoning and enforcement capabilities. It is the intent that the recommendations presented reflect not only what the CAG supports, but also aligns with current practices of definitions, prescribed conditions and consistency of similar regulations within the ordinance.

The next meeting will address:

- Enforcement capabilities ~ why use square footage rather than production amounts
- What square footage would allow flexibility in Urban Districts (MUDD, UMUD, PED, TOD), yet not introduce a "large" manufacturing use into the pedestrian oriented districts
- What square footage maximum should apply in I-2 before the prescribed conditions related to I-2 kick in
- Definition of a Tap Room
- Considerations for adaptive reuse in Urban Districts
- Consideration for additional districts with more prescribed conditions
- Two phase text amendment process

The Planning Department will carry forward any additional recommendations from the CAG through the review and approval process.