

COUNTY OF ALBEMARLE

STAFF REPORT

AGENDA TITLE: ZTA 2015-02 Farm Distilleries, Farm Breweries & Farm Wineries	AGENDA DATE: October 20, 2015
SUBJECT/PROPOSAL/REQUEST: Public Hearing to Amend the Zoning Ordinance to Address State Code Requirements for Farm Distilleries and includes amendments to the current Farm Brewery and Farm Winery ordinance regulations.	ACTION: X INFORMATION:
STAFF CONTACT(S): Francis MacCall, Amanda Burbage, Amelia McCulley, Wayne Cilimberg, Greg Kamptner	CONSENT AGENDA: ACTION: INFORMATION:
	ATTACHMENTS: Yes

BACKGROUND: On July 1, 2015, General Assembly bill SB 1272 became law, limiting localities' ability to regulate activities associated with limited (farm) distilleries. These changes are similar to the provisions for farm wineries adopted by the General Assembly in 2007 and the provisions for farm breweries adopted in 2014. Under the Virginia Code in order to be eligible for a limited distillery license, a distillery may not manufacture more than 36,000 gallons of distilled spirits per calendar year, must be located on a farm with agricultural zoning, and must use agricultural products grown on the farm in the manufacture of its alcoholic beverages.

Similar to State Code provisions for farm wineries and farm breweries, distillery activities which cannot be restricted by local regulation include production and harvesting of agricultural products; manufacturing, sales, tasting, storage, and on-premises consumption of distilled spirits; and sale of incidental items related to the sale of distilled spirits. The Code requires that any regulation of activities and events (collectively, "events") at farm distilleries be reasonable and take into account the economic impact of the regulation on the farm distillery, the agricultural nature of the event, and whether or not a particular event is considered usual and customary. Any regulation of usual and customary events is allowed only where there is a substantial impact on the health, safety, or general welfare of the public.

On May 12, the Planning Commission held a work session on an ordinance amendment that proposed treating farm distilleries the same as farm wineries and farm breweries. At the work session, the Commission shared concerns about the cumulative impacts of these uses in the Rural Area, including traffic generation on rural roads, parking, water use, and, in particular, the impact of these uses when located on smaller Rural Area parcels (Attachment C). On June 2, the Commission adopted a Resolution of Intent (Attachment B) broadening the focus of this ordinance amendment work to include farm breweries and farm wineries in addition to farm distilleries.

At the August 11 work session, the Commission generally supported proceeding to public hearing on the following:

1. Proposed amendments to address events associated with multiple ABC licenses on one site/property; and
2. Requiring a zoning clearance when there will be more than 50 vehicle trips per day or on a site/property size of less than 21 acres for events and activities at a farm distilleries, and to new farm breweries and new farm wineries established after the adoption of the revised regulations.

In order to implement the Virginia Code provisions effective July 1st for farm distilleries as soon as possible, the Commission agreed to a later phase of work to address other issues identified on May 12, including cumulative impacts on roads, water usage and the relationship of events to bona fide primary agricultural activity on-site. On October 7, the Board of Supervisors directed staff to provide estimate of staff resources necessary to undertake this work as part of the 2016 Community Development Department work program.

STRATEGIC PLAN:

Goal 3. Encourage a diverse and vibrant local economy.

Goal 4. Protect the County's parks and its natural, scenic and historic resources in accordance with the County's established growth management policies.

Goal 5. Ensure the health and safety of the community.

DISCUSSION:

The draft ordinance provides the following:

- Definitions for farm distillery; farm distillery event; update to substantial impact; and update to usual and customary use, event, or activity.
- Requirement of a zoning clearance for events and activities at farm distilleries, new farm breweries and new farm wineries after the ordinance is adopted where there will be more than 50 vehicles trips per day or be on a site/farm that is less than 21 acres.
- Events and activities associated with a single licensed use where multiple events on one site/farm occur and the total number of guest's onsite at any one time for events.
- Events and activities associated with multiple ABC licenses on one site/farm and the total number of guest's onsite at any one time for events.

For activities and events at farm distilleries, and to farm wineries and farm breweries established after the adoption date of the ordinance amendment the ordinance proposes to apply the substantial impact thresholds that were established and defined for activities and events at agricultural operations and farm breweries in November of 2014. Specifically, the thresholds are the generation of more than 50 vehicle trips per day or if the site/property size is for the farm distillery, farm winery or farm brewery is less than 21 acres. Either one of these thresholds will trigger the need for a zoning clearance. When considered for a zoning clearance, the uses will need to be evaluated in the context of the requirements of the Virginia Code, which require the County to take into account the economic impact of the regulation on the farm distillery, farm winery or farm brewery, the agricultural nature of the event, and whether or not a particular event is considered usual and customary. Applying these thresholds to new farm wineries or farm breweries established after the date of the adoption of the proposed regulations will have the effect of grandfathering the existing farm wineries and the one existing farm brewery from this requirement.

The ordinance also proposes to include a provision that requires a special use permit for any defined "farm winery event," "farm brewery event," "farm distillery event," wedding or wedding reception event or events with a cumulative attendance of over 200 people, regardless of whether or not that property holds multiple ABC licenses. If the property does hold some combination of multiple ABC licenses and each use holds a defined event at the same time and the cumulative total for two or more events is over 200 persons then a special use permit will be required.

An example would be if the winery has a wedding at the same time as a winery event and each event states that there will be no more than 150 persons at each wedding. This would technically require a special use permit since there will be more than 200 persons in the aggregate in attendance on the winery property at the same time. The special use permit would also be required if the property has a license for a farm winery and a farm brewery and each facility has a wedding or wedding reception with 150 persons in attendance since there would be more than 200 persons in the aggregate in attendance on the property at the same time.

BUDGET IMPACT: Staff does not anticipate that this ordinance will result in the need for additional staff or funding.

RECOMMENDATION: Staff recommends that the Planning Commission recommend approval of the draft ordinance found in Attachment A.

ATTACHMENTS:

- Attachment A: [Draft Ordinance](#)
Attachment B: [Resolution of Intent to Address Farm Distilleries, Farm Breweries & Farm Wineries](#)
Attachment C: [May 12 Planning Commission Action Memo and Minutes](#)
Attachment D: [August 11 Planning Commission Action Memo and Draft Minutes](#)
Attachment E: [Comparison of Current and Proposed Regulations](#)