

Public Comments:

You may appear in person, or by agent, the evening of the Council meeting, or submit a petition or written comments by mail or email no later than **9:30 am, Tuesday, August 6, 2019** to:

Attention: Corporate Officer, City of Penticton
171 Main Street, Penticton, B.C. V2A 5A9
Email: publichearings@penticton.ca.

No letter, report or representation from the public will be received by Council after the conclusion of the August 6, 2019 Public Hearing.

Please note that all correspondence submitted to the City of Penticton in response to this Notice must include your name and address and will form part of the public record and will be published in a meeting agenda when this matter is before the Council or a Committee of Council. The City considers the author's name and address relevant to Council's consideration of this matter and will disclose this personal information. The author's phone number and email address is not relevant and should not be included in the correspondence if the author does not wish this personal information disclosed.

Blake Laven, RPP, MCIP
Manager of Planning



Council Report

penticton.ca

Date: July 16, 2019
To: Donny van Dyk, Chief Administrative Officer
From: Nicole Capewell, Planner 1
Address: 965 Naramata Road
Subject: **Zoning Amendment Bylaw No. 2019-26**
ALR Non-Farm Use PL2019-8504

File No: PRJ2019-063

Staff Recommendation

Zoning Amendment

THAT "Zoning Amendment Bylaw No. 2019-26", a bylaw to amend "Zoning Bylaw No. 2017-08" by adding Section 9.2.6.13 "In the case of Lot B District Lots 204 and 205 Similkameen Division Yale District Plan 32206, located at 965 Naramata Road, a Craft Brewery/Distillery, subject to a maximum gross floor area of 400 square meters, shall be permitted", be given first reading and be forwarded to the August 6, 2019 Public Hearing;

ALR Non-Farm Use Application

AND THAT Council, after hearing from the public at the August 6, 2019 Public Hearing, consider sending a positive recommendation to the Agricultural Land Commission in support of the proponents 'non-farm use' application (ALC Application #58759).

Background

The subject property (Attachment 'A') is located along Naramata Road, and also has frontage on Davenport Road and the KVR Trail. The subject property is approximately 2.85ha in size and contains a single family dwelling (with detached shop), a pre-existing pickers cabin, and the locally known 'Trail Store Fruit and More'.

The applicant is requesting a non-farm use through the Agricultural Land Commission (ALC), to allow for the operation of a brewery. While a brewery is a permitted use in the Agricultural Land Reserve (ALR) in some circumstances, the non-farm use application here is triggered because the property owner is not using enough of the property to grow the primary farm product (PFP). The applicant's intent is to use 1.0 ha of land for barley production, the PFP for beer. The ALC Regulation requires that properties over 2.0ha in size have at least 2.0ha of the farm used for growing the PFP. While the land is over 2.0ha, the property owners do not wish to plant that much barley. So, a non-farm use application is required.

The property is currently zoned A (Agriculture). While a brewery is not listed as a permitted use in the A zone, the definition of 'Agriculture Use' in Zoning Bylaw 2017-08 states that any uses that the ALC deem to be farm uses, are permitted uses. Given that the applicant is requesting a non-farm use through the ALC, the use of a brewery operation is not a 'farm-use' and is no longer a permitted use under the 'Agriculture Use' definition in the City's Zoning Bylaw. Thus, the applicant is also requesting a site-specific zoning amendment to the property to allow for a brewery operation.

Draft Official Community Plan

The Official Community Plan review currently underway includes the subject property within the Future Land Use category called 'agriculture. The draft Official Community Plan describes the agriculture designation as "allows for growing, producing, harvesting, storage, processing and sale of agricultural produce" Compatible types of development include agricultural buildings and detached houses. The application is compatible with the OCP designation, as the brewery will be ancillary to the farming productions on the property.

Agriculture Advisory Committee

The application was presented to the City's Agriculture Advisory Committee on April 5, 2019. The Agriculture Advisory Committee was supportive of the application, but felt a size restriction was appropriate. As such, the following recommendations were passed, and are reflected in staff's recommendation for Council:

It was MOVED and SECONDED

THAT the Agriculture Advisory Committee recommend that Council support the "non-farm use" application to the Agricultural Land Reserve (ALR) to allow for an alcohol production facility (brewery) at Lot B District Lots 204 and 205 Similkameen Division Yale District Plan 32206, located at 965 Naramata Road.

CARRIED UNANIMOUSLY

It was MOVED and SECONDED

THAT the Agricultural Advisory Committee recommend that Council support the site specific rezoning at Lot B District Lots 204 and 205 Similkameen Division Yale District Plan 32206, located at 965 Naramata Road, to allow for the use of a Craft Brewery/Distillery subject to a maximum gross floor area of 400 square meters.

CARRIED UNANIMOUSLY

Proposal

The applicant is proposing a site specific amendment to the Zoning Bylaw No. 2017-08, adding the following section to the Zoning Bylaw:

- Section 9.2.6.13: In the case of Lot B District Lots 204 and 205 Similkameen Division Yale District Plan 32206, located at 965 Naramata Road, a Craft Brewery/Distillery, subject to a maximum gross floor area of 400 square meters, shall be permitted.

The applicant is also looking for the City's support in their application for a non-farm use from the ALC.

Technical Review

This application was reviewed by the City's Technical Planning Committee. No significant issues arose in the process. Typical servicing requirements have been identified for the Building Permit stage of the project, if the rezoning application is supported by Council. Any servicing upgrades required for the development are the responsibility of the applicant. The development is required to conform to the BC Building Code. Should the rezoning and non-farm use applications be successful, staff will explore a License to Use Agreement with

the property owners to allow for the use of some of the KVR Right-of-Way that directly abuts the subject property. These items have been communicated to the applicant.

Financial Implication

The application does not pose any significant financial implications to the City. Development costs are the responsibility of the developer.

Development Statistics

The following table outlines the proposed development statistics on the plans submitted with the rezoning application:

	Requirement A Zone	Provided on Plans
Minimum Lot Area	2 ha 20,000 m ²	2.85 ha 28,500 m ²
Maximum Lot Coverage:	10% for residential buildings; 35% including agricultural structures Max 7,000 m ²	2.5% Proposed 740 m ² including agricultural structures
Vehicle Parking:	1 (1 per 30m ² NFA of retail sales/tasting area) Proposing 38.5m ² retail sales area	7 parking spaces
Required Setbacks		
Front Yard (Naramata Road):	9.0 m	~150 m
Exterior Side Yard (north):	9.0 m	~20.0m
Side Yard (south):	4.5 m	~120.0m
Side Yard (east):	4.5 m	~80.0 m
Rear Yard (west):	4.5 m	4.73 m
Maximum Building Height	16 m	9.2 m

Analysis

Support Non-Farm Use Application

The applicant is requesting a non-farm use application to allow for the operation of a craft brewery. The ALC designates craft breweries as farm uses if:

- a) At least 50% of the primary farm product used to make the alcohol product each year is grown on the farm where the production facility is located; or
- b) The farm where the alcohol is produced is more than 2 ha (4.9 acres) and at least 50% of the primary farm product used to make the alcohol each year is grown:
 - i. On the farm, or
 - ii. Both on the farm and on another farm in BC that provides the primary farm product to the alcohol production facility under a contract of at least 3 years.

The applicant is requesting a non-farm use because they will only be using 1 ha of the farm to grow the primary farm product, which does not meet the minimum requirements set out by the ALC (requires 2 ha of farm to be used to grow primary farm product). While the subject property is large enough to be able to grow the minimum 2 ha of primary farm product to be considered a farm-use, the applicants have a desire to keep the existing crops on the farm, rather than remove all of the existing crops to accommodate their primary farm product for alcohol production.

When considering a non-farm use application, staff recommend consideration to the following three matters: 1. Will the agricultural capability of the property be diminished as a result of approval of the application; 2. Will approval of the application negatively affect or conflict with neighbouring farm operations; and 3. Is the proposed non-farm use a reasonable use of agriculture land. Staff will speak to each consideration separately:

1. Will the agricultural capability of the property be diminished?

The applicants reasoning for only using 1.0 ha of the property for the Primary Farm Product (PFP) is to maintain the variety of crops that already exist on the property. Rather than removing the majority of the existing crops to accommodate a full 2.0 ha of PFP (barley) to satisfy the ALC requirement, the applicants want to only remove 1 ha of existing crops to accommodate the introduction of barley to the property. Given that the applicants primary reason for needing the non-farm use application is to be able to maintain a variety of crops on the property, including those that currently exist, staff consider the agriculture capability of the property will not be impacted.

2. Will approval of the application negatively affect or conflict with neighbouring farm operations?

Although the applicant is required to apply for a non-farm use application, the property will still be used primarily for farming. If the applications are successful, the applicants would construct an addition to the existing Trail Store Fruit and More to allow for the manufacturing of beer. The existing footprint of the Trail Store Fruit and More would be transitioned to be the tasting room of the brewery. The addition of a manufacturing facility will be the most significant change to the property.

Many agricultural properties are completing similar building additions to allow for the production of alcohol (wineries, breweries, cideries and distilleries) and include tasting rooms for their customers. Properties within close proximity to the subject property that have active licenses for alcohol facilities include Maple Leaf Spirits (948 Naramata Road), Ruby Blues Winery (917 Naramata Road), Red Rooster Winery (891 Naramata Road) and Little Engine Wines (833 and 851 Naramata Road).

This application should not negatively impact or conflict with neighbouring farm operations, as it will still maintain the use of the property being for agricultural purposes. There may be an increase in traffic to the property as a result of an alcohol production facility, which the applicants are planning to accommodate with 7 parking spaces on the subject property.

3. Is the proposed non-farm use a reasonable use of agriculture land?

As previously noted, the intent of the applicant is to use the property for agricultural purposes, to grow barley and to maintain the crops that currently exist on the property. The scale and impacts of a brewery and tasting room will have minor impact in the area considering the agricultural use already in place.

Given the above considerations, staff feel that the use as proposed, will not limit the ability of neighbouring properties to farm their land and is a reasonable non-farm use. As such, staff recommend that Council, after

hearing from the public on the August 6, 2019 Public Hearing, forward the non-farm use application to the ALC with support from the City.

Further, the application was presented to the Agriculture Advisory Committee on April 5, 2019, where the Committee provided a positive recommendation to the non-farm use application and the site-specific rezoning, subject to a size restriction.

Support Site-Specific Zoning Amendment

The applicant is proposing to operate a craft brewery at 965 Naramata Road, an alcohol production facility using BC agricultural ingredients. Craft breweries are becoming a common and desired attraction for both locals and tourists visiting the region. As such, a brewery at this location will be strengthening the tourism in this area. Further, the subject property is located directly adjacent to the KVR Trail, in an established commercial location (the Trail Store Fruit and More), which allows for users of the trail to access the brewery without the use of a vehicle.

The 2002 Official Community Plan (OCP) designation for the subject property is A (Agriculture), which supports farming operations and secondary uses which promote agriculture and do not affect the farm operation. The applicant is proposing to use the property for agriculture purposes and retain the property's diverse crops that currently exist. Although craft breweries were not specifically addressed in the 2002 OCP, there are policies that support the development of ancillary uses that increase the viability of farm operations, and generally support the regional agricultural industry.

The draft 2019 Official Community Plan has more consideration for the different types of alcohol production facilities that are more common today on agricultural properties. These include policies such as:

Policy 4.3.5.1 – Support and leverage priority industry clusters (tourism and events; wine, beer and spirit production; technology; manufacturing; agriculture), and identify new clusters as they emerge, to provide economic benefits including shared knowledge and increased innovation.

Policy 4.5.1.2 – Work with the Agricultural Land Commission (ALC) to ensure that agricultural activities remain the primary use on lands within the Agricultural Land Reserve (ALR) and encourage active farming use of those lands. Proposed compatible non-farm uses and non-soil-based agriculture should be comprehensively reviewed to ensure there are no negative impacts on agricultural viability operations.

Given the above, there is adequate policy through the 2002 and draft 2019 OCP to support the proposal to allow for a site-specific rezoning to allow for the operation of a craft brewery (subject to a maximum gross floor area of 400 square meters) at 965 Naramata Road, support is recommended for First Reading of "Zoning Amendment Bylaw No. 2019-26".

Lastly, in 2013 a site-specific rezoning was completed at 948 Naramata Road, which is directly across Naramata Road from the subject property. This site-specific rezoning was similar, in allowing a craft brewery/distillery to be a permitted use on the property. This is now the location of the Maple Leaf Spirits Distillery.

Deny or Refer

Council may consider that a craft brewery/distillery will not maintain the desired agricultural aspect to the area and does not meet the intent of the 2002 and draft 2019 Official Community Plan. If this is the case, Council can deny First Reading of Zoning Amendment Bylaw No. 2019-26" and not support the non-farm use application. Alternatively, Council may want to refer the application back to staff for further work with the applicant.

Alternate Recommendations

1. THAT Council deny first reading of "Zoning Amendment Bylaw No. 2019-26" and deny support for the non-farm use application.
2. THAT Council give first reading to "Zoning Amendment Bylaw No. 2019-26", and provide support for the non-farm use application with conditions that Council feels are appropriate.

Attachments

- Attachment A: Subject Property Location Map
- Attachment B: Zoning Map of Subject Property
- Attachment C: Official Community Plan Map of Subject Property
- Attachment D: Images of Subject Property
- Attachment E: Letter of Intent
- Attachment F: Conceptual Site Plan
- Attachment G: Conceptual Floor Plan
- Attachment H: Conceptual Elevations
- Attachment I: Zoning Amendment Bylaw No. 2019-26

Respectfully submitted

Nicole Capewell

Planner 1

Approvals

Director Development Services <i>AH</i>	Chief Administrative Officer DyD
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Attachment A – Subject Property Location Map

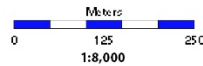


965 Naramata Road

Property Location Map



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Tuesday, April 2, 2019
9:13:06 AM

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Figure 1 – Subject Property Highlighted in Red

Attachment B – Zoning Map of Subject Property

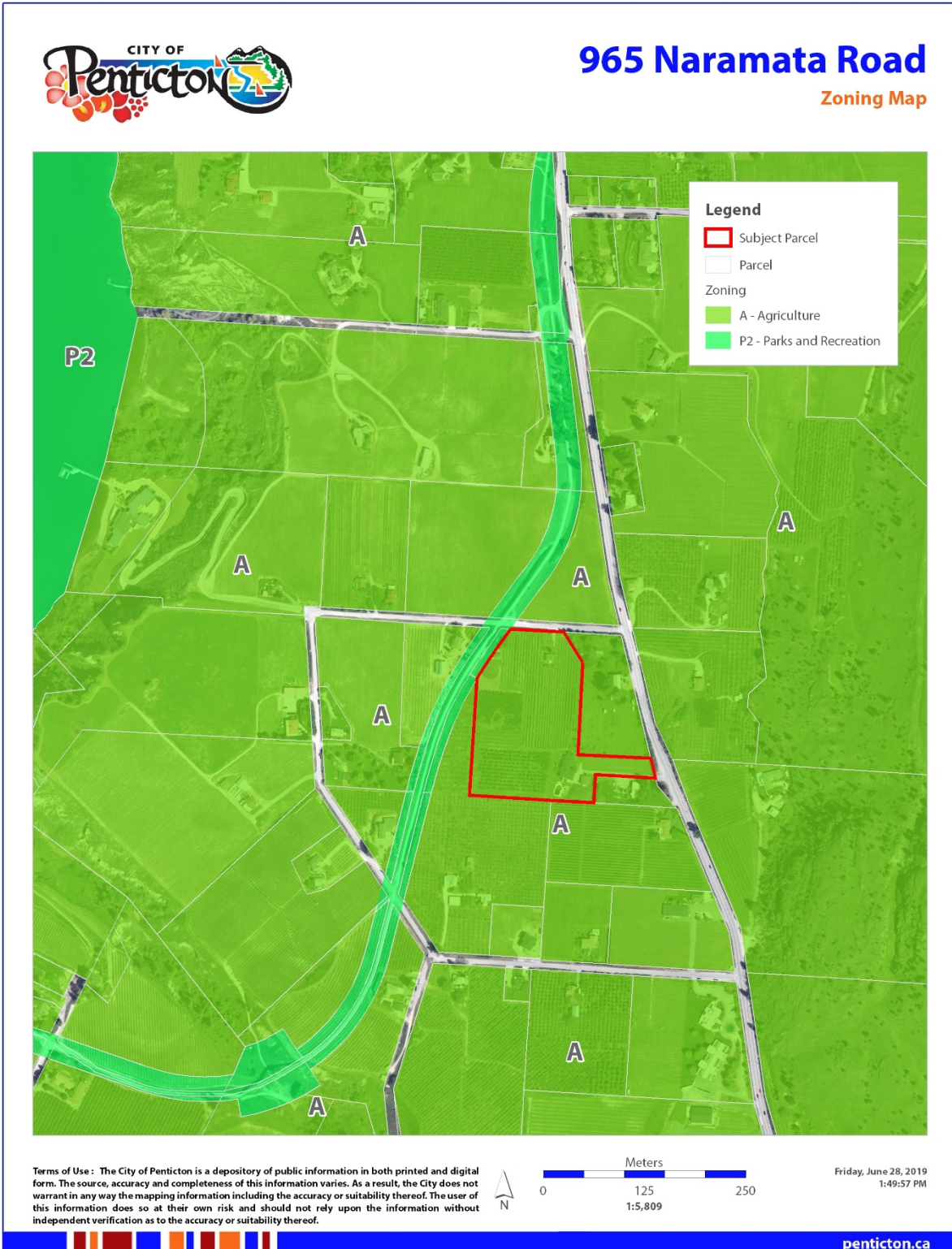
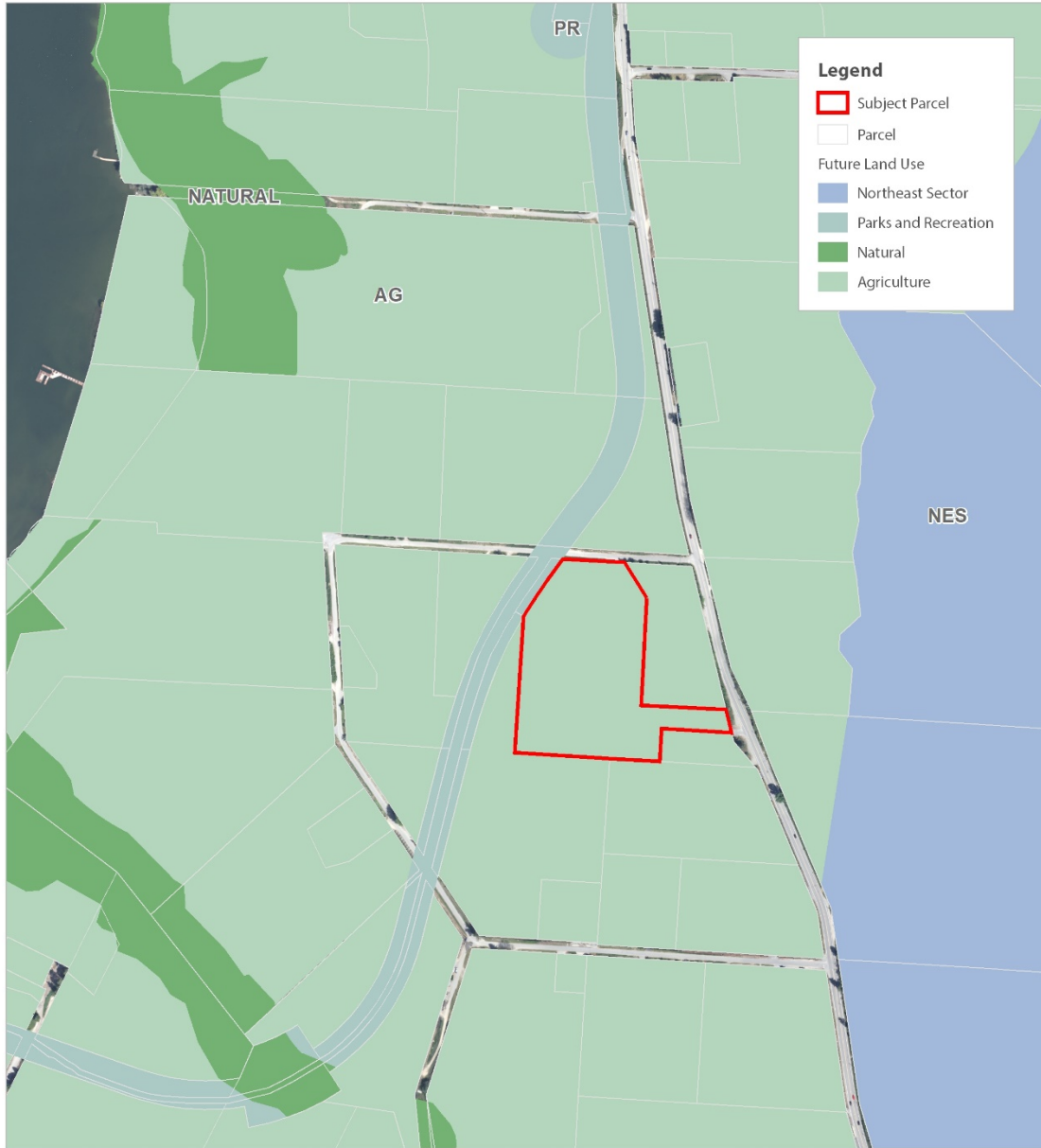


Figure 2 – Subject Property Zoning

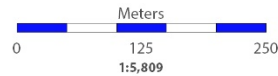


965 Naramata Road

Zoning Map



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Friday, June 28, 2019
1:50:16 PM

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Figure 3 – Subject Property Future Land Use Designation

Attachment D – Images of Subject Property



Figure 4 – Looking east toward 965 Naramata Road from KVR Trail

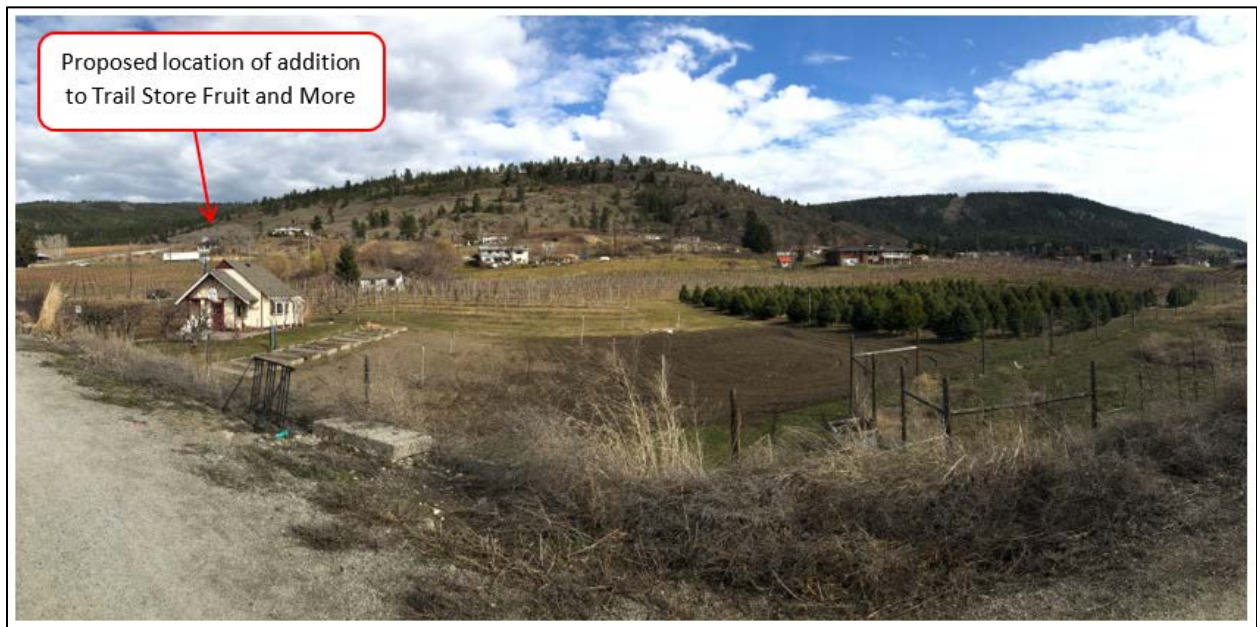


Figure 5 – Looking east toward 965 Naramata Road from KVR Trail

Attachment E – Letter of Intent

Rezoning Application

Letter of Intent

Scott Breier, Nicole Gidman
965 Naramata Rd
Penticton, BC
V2A 8V1

The intent for our rezoning is to save 1 hectare of established orchards. We are working towards opening a farmhouse brewery on our property at 965 Naramata Road, a 2.85 hectare property on agricultural land. According to the ALC policy L-03 we must grow at least 50% of the primary farm product (PFP) on the property where the manufacturing facility will be located. However, if the property is over 2 hectares, there must be at least 2 hectares of PFP grown on the farm before the remaining amount is to be bought from another farm. We are prepared to grow 1 hectare of PFP but forecast that we will be needing more than 1 hectare of PFP which we would then purchase from another BC farm. Because we are only prepared to plant 1 Hectare of PFP and would like to not have to remove the entirety of the orchards, we have submitted an application for non-farm use to the ALC, and therefore the rezoning with the City of Penticton.

The purpose of having the Farmhouse Brewery model is to create an inter dependency between local economy, agriculture, tourism sector and recreation. With its proximity to the Kettle Valley Rail Trail (KVR) and its location among the bustling Naramata Bench tourism sector, an area largely populated with wineries, it would cater to the growing demand for a wider variety of hospitality services. This would create a valuable contribution to the local sustainable economy of this region.

Additionally, with the increasing numbers of farmers retiring, this model promotes an example of young entrepreneurs returning to the agricultural industry to create a connection for consumers to the source of their goods with sustainable long term business as a by-product.

Figure 6 – Letter of Intent

Attachment G – Conceptual Floor Plan

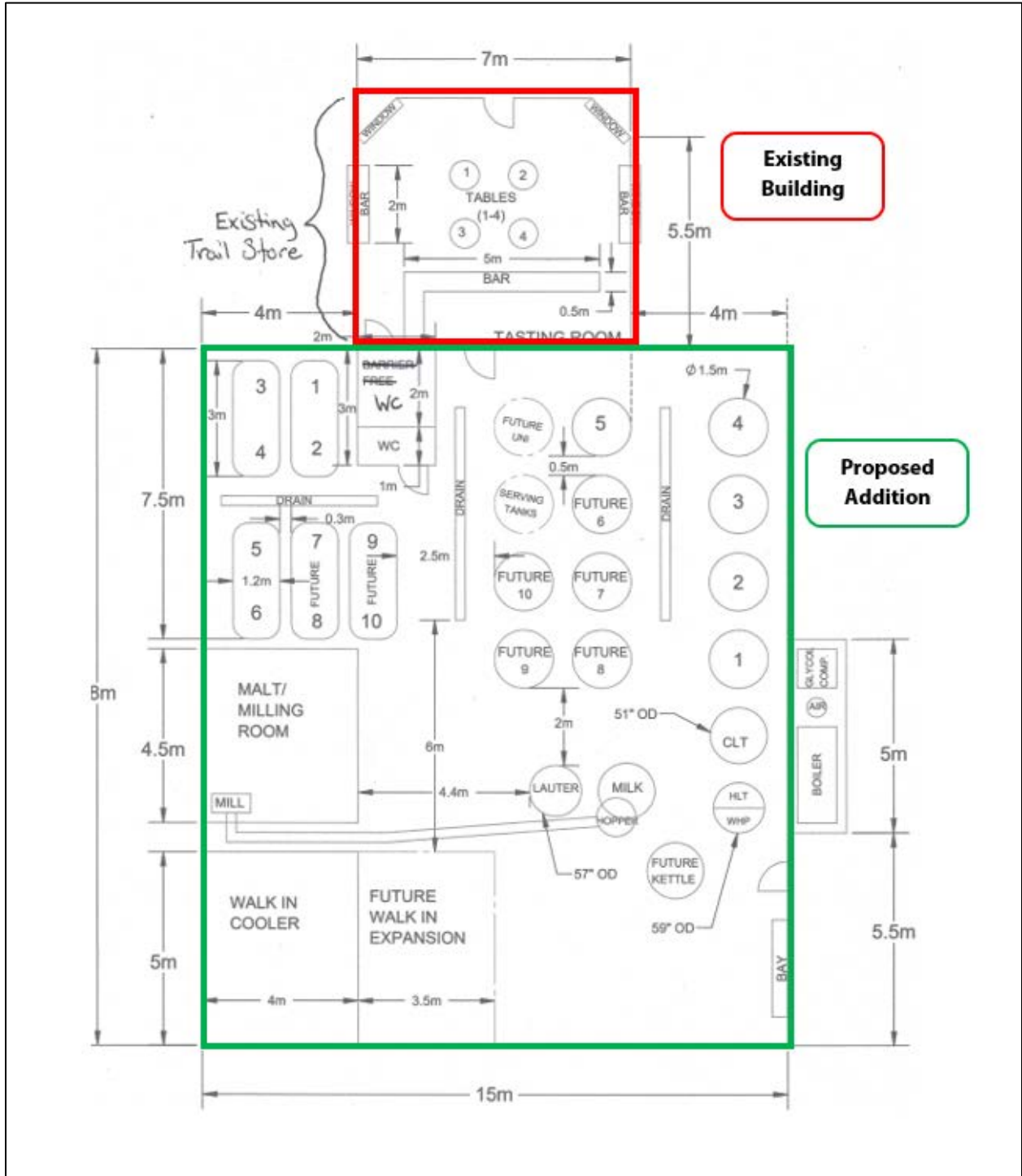


Figure 8 – Conceptual North Elevation

Attachment H – Conceptual Elevations

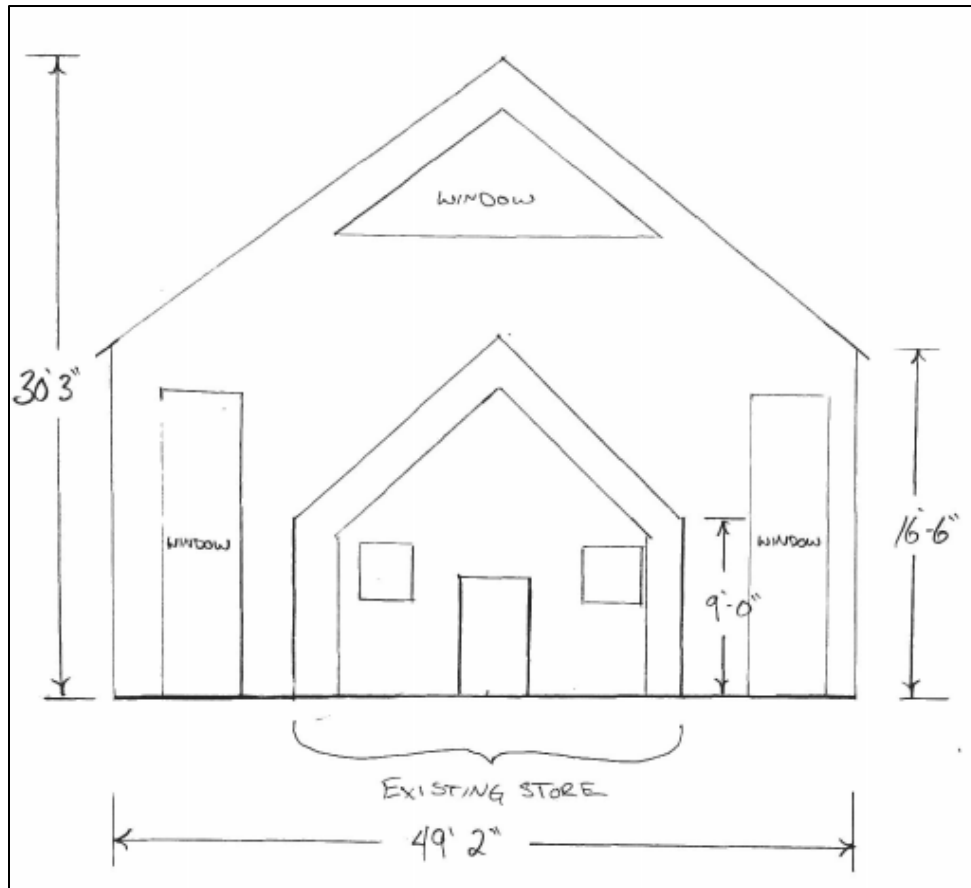


Figure 9 – Conceptual Front Elevations

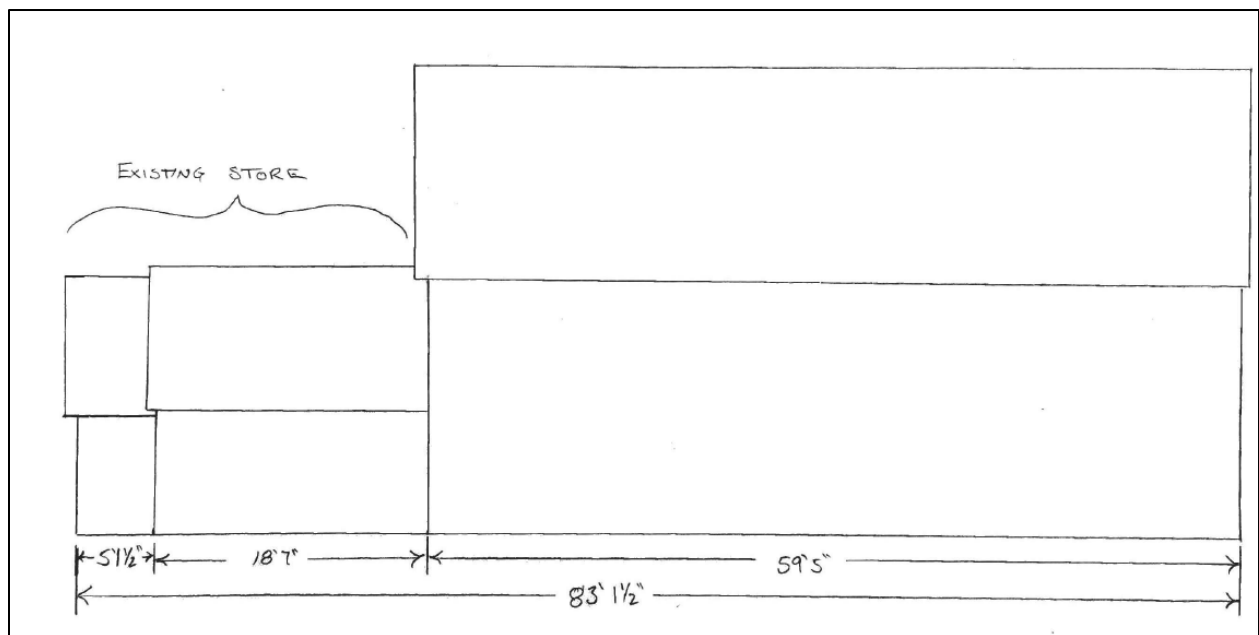


Figure 10 – Conceptual Side Elevations

The Corporation of the City of Penticton

Bylaw No. 2019-26

A Bylaw to Amend Zoning Bylaw 2017-08

WHEREAS the Council of the City of Penticton has adopted a Zoning Bylaw pursuant the *Local Government Act*;

AND WHEREAS the Council of the City of Penticton wishes to amend Zoning Bylaw 2017-08;

NOW THEREFORE BE IT RESOLVED that the Municipal Council of the City of Penticton, in open meeting assembled, hereby ENACTS AS FOLLOWS:

1. **Title:**

This bylaw may be cited for all purposes as "Zoning Amendment Bylaw No. 2019-26".

2. **Amendment:**

2.1 Zoning Bylaw 2017-08 is hereby amended as follows:

Add Section 9.2.6.13: "In the case of Lot B District Lots 204 and 205 Similkameen Division Yale District Plan 32206, located at 965 Naramata Road, a Craft Brewery/Distillery, subject to a maximum gross floor area of 400 square meters, shall be permitted."

2.2 Schedule 'A' attached hereto forms part of this bylaw.

READ A FIRST time this	day of	, 2019
A PUBLIC HEARING was held this	day of	, 2019
READ A SECOND time this	day of	, 2019
READ A THIRD time this	day of	, 2019
ADOPTED this	day of	, 2019

Notice of intention to proceed with this bylaw was published on the __ day of ____, 2019 and the __ day of ____, 2019 in the Penticton Western newspaper, pursuant to Section 94 of the *Community Charter*.

John Vassilaki, Mayor

Angie Collison, Corporate Officer

965 Naramata Road
(A-Agriculture Zone)

Site specific zoning amendment to permit a Craft Brewery/Distillery, subject to a maximum gross floor area of 400 square meters.



City of Penticton – Schedule ‘A’

Zoning Amendment Bylaw No. 2019-26

Date: _____

Corporate Officer: _____