MCPB Item No. 5

Date: 5-3-18

# Zoning Text Amendment (ZTA) No. 18-03, Farm Alcohol Production – Standards



Gregory Russ, Planner Coordinator, FP&P, gregory.russ@montgomeryplanning.org, 301-495-2174



Pam Dunn, Chief, FP&P, pamela.dunn@montgomeryplanning.org, 301-650-5649

Completed: 04/26/18

# Description

Zoning Text Amendment (ZTA) 18-03 would add Farm Alcohol Production as an accessory use allowed in the Agricultural and Rural Residential zones; and establish the standards for Farm Alcohol Production.

# **Summary**

Staff has no objection with the overall intent of ZTA No. 18-03, to add Farm Alcohol Production as a use allowed in certain zones; and establish the standards for Farm Alcohol Production. However, Staff is concerned with the overly broad allowance for the number of events accessory to the production of alcohol where 300 or fewer participants are anticipated. Staff believes that additional discussion is necessary to address this issue. Staff suggests reviewing the breakdown of events for Equestrian Facilities (Section 3.2.4.B) as a starting point for discussion. The requirements for an Equestrian Facility provide a table that specifies restrictions for equestrian events based on parcel size, hours of operation, and number of participants. It would be helpful if this type of table could be adapted and incorporated into the limited use standards for farm alcohol production.

# **Background/Analysis**

Currently, wineries are allowed as a limited use in Agricultural and most Rural Residential zones (allowed only as a conditional use in the RNC zone). ZTA 18-03 would incorporate many of the standards that were applicable to wineries and apply those standards and others to breweries, cideries, and distilleries and combine these uses into one accessory agricultural use category called Farm Alcohol Production. In addition to the manufacture of alcoholic beverages, ZTA 18-03 would allow tasting rooms and, to the extent allowed by the state manufacturing license, the sale of food. It would also allow up to nine events a year with more than 300 people. A larger number of events could only be allowed if the use is approved as a conditional use.

### As proposed, ZTA 18-03 does the following:

 Establishes a new accessory agricultural use called "Farm Alcohol Production" with standards for the use and the accessory activities allowed. "Farm Alcohol Production" is defined as the transformation of agricultural products into alcoholic beverages. Farm Alcohol Production includes wineries, cideries, breweries, or distilleries on farms. Farm Alcohol Production may include other activities unrelated to the production and sale of alcohol or farming under certain circumstances (as described in the use standards). (Lines 57-63)

- Farm Alcohol Production would be a limited/conditional use in the AR, R, RC, and RNC zones and must be accessory to farming or another allowed principal use in the zone. A farm alcohol producer would have to source some ingredients grown on-site for use in production although the standards do not specify how much (Currently, a winery must harvest a minimum of 5 acres of fruit onsite). Farm Alcohol Production would be allowed to have an on-site tasting room which would be required to comply with the food, hours of operation, production limits, and other requirements stipulated in their state manufacturing license. (Line 20- Use Table, Lines 64-78)
- ZTA 18-03 specifies the scope and number of events and activities allowed for a farm alcohol producer. As stated by the sponsors of the ZTA, these events and related activities are critical to the viability and profitability of a farm alcohol producer, while also recognizing that these events and activities have impacts on the infrastructure and surrounding communities. ZTA 18-03 attempts to balance these priorities as follows:
  - The current Zoning Ordinance restricts wineries to 9 public ticketed events a year in the AR zone and to 2 events of any kind in the R or RC zones, although in practice, wineries in the AR zone can have unlimited events and activities (weddings, for example) of any size if they are private and no tickets are sold. The current Zoning Ordinance is not clear about the kind and size of events breweries, cideries, and distilleries can have. (Lines 31-44)
  - o ZTA 18-03 would allow two categories of events and activities. First, events and activities that are "normal and customary" to the regular operations of a winery, cidery, brewery and distillery are allowed without restriction. According to the sponsors of the ZTA, this would include activities like tasting room operations, product-release parties, tours, and seasonally-themed festivals. The common thread for these events and activities is that they are part of the standard business practice for a winery, brewery, cidery, or distillery. Establishing what is considered "normal and customary" would be determined by the Department of Permitting Services. (*Lines 79-81*)
  - Second, ZTA 18-03 would also allow farm alcohol producers to have accessory events, (weddings and corporate retreats, etc., for example). These events and activities are not directly related to the production of and sale of alcohol. As introduced, where 300 or fewer participants are anticipated, an unlimited number of these events is allowed. Where more than 300 participants are anticipated, a farm alcohol producer could have a maximum of nine accessory events a year. For both categories of events and activities, the ZTA requires onsite parking and adherence to the noise ordinance and all building, life safety, fire, and sanitation code requirements. Staff is concerned with the overly broad allowance for the number of events accessory to the production of alcohol where 300 or fewer participants are anticipated. Staff believes that additional discussion is necessary to address this issue. Staff suggests reviewing the breakdown of events for Equestrian Facilities (Section 3.2.4.B) as a starting point for discussion. The requirements for an Equestrian Facility provide a table that specifies restrictions

for equestrian events based on parcel size, hours of operation, and number of participants. It would be helpful if this type of table could be adapted and incorporated into the limited use standards for farm alcohol production. (Attachment 2)

# **Attachments**

- 1. ZTA No. 18-03 as introduced
- 2. Equestrian Facility Table

# **ATTACHMENT 1**

Zoning Text Amendment No.: 18-03 Concerning: Farm Alcohol Production

- Standards

Draft No. & Date: 2 - 3/27/18 Introduced: April 10, 2018

Public Hearing:

Adopted: Effective: Ordinance No.:

# COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND SITTING AS THE DISTRICT COUNCIL FOR THAT PORTION OF THE MARYLAND-WASHINGTON REGIONAL DISTRICT WITHIN MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council President Riemer and Councilmember Rice Co-sponsors: Councilmember Leventhal, Katz, and Floreen

# **AN AMENDMENT** to the Montgomery County Zoning Ordinance to:

- add Farm Alcohol Production as a use allowed in certain zones; and
- establish the standards for Farm Alcohol Production

By amending the following sections of the Montgomery County Zoning Ordinance, Chapter 59 of the Montgomery County Code:

Division 1.4. "Defined Terms"

Section 1.4.2. "Specific Terms and Phrases Defined"

Division 3.1. "Use Table" Section 3.1.6. "Use Table"

Division 3.2. "Agricultural Uses"

Section 3.2.10. "Winery"

Section 3.2.11. "Accessory Agricultural Uses"
Section 3.2.12 "Temporary Agricultural Uses"
Division 8.2. "Residential Floating Zones"

Section 8.2.3. "Use Table for the RT and R-H Zones"

**EXPLANATION:** Boldface indicates a Heading or a defined term.

<u>Underlining</u> indicates text that is added to existing law by the original text amendment.

[Single boldface brackets] indicate text that is deleted from existing law by the original text amendment.

<u>Double underlining</u> indicates text that is added to the text amendment by amendment.

[[Double boldface brackets]] indicate text that is deleted from the text amendment by amendment.

\* \* indicates existing law unaffected by the text amendment.

# **ORDINANCE**

The County Council for Montgomery County, Maryland, sitting as the District Council for that portion of the Maryland-Washington Regional District in Montgomery County, Maryland, approves the following ordinance:

- Sec. 1. Division 1.4 is amended as follows:
- 2 **Division 1.4. Defined Terms**
- 3 Section 1.4.2. Specific Terms and Phrases Defined
- 4 \* \* \*
- 5 **Agricultural Vending:** See Section [3.2.12.A.1] 3.2.11.A.1
- 6 \* \* \*
- 7 **Farm Airstrip, Helistop:** See Section [3.2.11.A.1] <u>3.2.10.A.1</u>
- 8 Farm Alcohol Production: See Section 3.2.10.B.1
- 9 **Farm Market, On-site:** See Section [3.2.11.B.1] <u>3.2.10.C.1</u>
- 10 \* \* \*
- Seasonal Outdoor Sales: See Section [3.2.12.B.1] <u>3.2.11.B.1</u>
- 12 \* \* \*
- 13 [Winery: See Section 3.2.10.A]
- 14 \* \* \*
- 15 Sec. 2. Division 3.1 is amended as follows:
- 16 **Division 3.1. Use Table**
- 17 \* \* \*
- 18 **Section 3.1.6. Use Table**
- 19 The following Use Table identifies uses allowed in each zone. Uses may be
- 20 modified in Overlay zones under Division 4.9.

				Rural							R	esiden	tial						Co	mmore	sial/							
USE OR USE GROUP	Definitions and	Ag	Re	Residential		Residential Detached					Residential Townhouse			Residential Multi-Unit			Commercial/ Residential			Employment				Industrial				
	Standards	AR	R	RC	RNC	RE-2	RE-2C	RE-1	R-200	R-90	R-60	R-40	TLD	TMD	THD	R-30	R-20	R-10	CRN	CRT	CR	GR	NR	LSC	EOF	IL	I M	IH
AGRICULTURAL																												
* * *																												
[Winery]	[3.2.10]	[L/ C]	[L/ C]	[L/ C]	[C																							
Accessory Agricultural Uses	[3.2.11] 3.2.10																											
Farm Airstrip, Helistop	[3.2.11.A] 3.2.10.A	<u>C</u>		<u>C</u>																								
Farm Alcohol Production	3.2.10.B	<u>L/</u> <u>C</u>	<u>L/</u> C	<u>L/</u> C	<u>L/</u>																							
Farm Market, On-site	[3.2.11.B] 3.2.10.C	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	
Temporary Agricultural Uses	[3.2.12] 3.2.11																											
Agricultural Vending	[3.2.12.A] 3.2.11.A					L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	
Seasonal Outdoor Sales	[3.2.12.B] 3.2.11.B	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	
* * *																												

**Key:** P = Permitted Use L = Limited Use C = Conditional Use Blank Cell = Use Not Allowed

22		Sec.	3. Div	vision .	3.2 is amended as follows:
23	Divi	sion 3	.2. Ag	ricultu	ıral Uses
24	*	* *			
25	[Sec	tion 3	.2.10.	Winer	${f y}$
26	A.	Defi	ined		
27		Win	ery m	eans an	ny structure and land for processing grapes or other fruit
28		into	wine 1	for sale	e on-site or through wholesale or retail outlets where a
29		mini	imum	of 5 ac	eres of grapes or other fruit must be grown on the same
30		parc	el or l	ot as th	ne processing facility.
31	B.	Use	Stand	ards	
32		1.	Who	ere a W	Vinery is allowed as a limited use, it must satisfy the
33			follo	owing	standards:
34			a.	In th	ne AR zone:
35				i.	A maximum of 9 days of events that require an entrance
36					ticket or a cover charge is allowed each calendar year.
37					Additional events require conditional use approval by the
38					Hearing Examiner under Section 7.3.1.
39				ii.	The maximum lighting level at any lot line is 0.1
40					footcandle.
41			b.	In th	ne R and RC zone, a maximum of 2 special events such as a
42				wed	ding, festival, or other similar event are allowed each
43				cale	ndar year. Additional events require conditional use
44				appr	roval by the Hearing Examiner under Section 7.3.1.
45		2.	Who	ere a W	Vinery is allowed as a conditional use, it may be permitted
46			by t	he Hea	aring Examiner under Section 7.3.1, Conditional Use, and
47			the	followi	ing standards:
48			а	The	minimum lot area is 10 acres.

49		b.	The	minimum setback for any structure from any lot line is 75
50			feet,	except that the minimum front setback may be reduced to
51			50 fe	eet if the Hearing Examiner finds the reduced setback is
52			comp	patible with abutting and confronting agricultural uses.
53		c.	The	lot must front on and have access to a road built to primary
54			resid	ential or higher standards.]
55	Section [3.2	<b>2.11</b> ] <u>3</u>	<u>3.2.10</u> .	Accessory Agricultural Uses
56	* * *			
57	B. <u>Farm</u>	Alcol	nol <u>Pro</u>	<u>oduction</u>
58	<u>1.</u>	Defin	<u>ned</u>	
59		Farm	Alcol	nol Production means the transformation of agricultural
60		prod	ucts in	to alcoholic beverages. Farm Alcohol Production includes
61		wine	ries, c	deries, breweries, or distilleries on farms. Farm Alcohol
62		Prod	<u>uction</u>	may include other activities unrelated to the production
63		and s	sale of	alcohol or farming under certain circumstances.
64	<u>2.</u>	<u>Use</u>	Standa	<u>rds</u>
65		<u>a.</u>	Whe	re Farm Alcohol Production is allowed as a limited use, it
66			must	satisfy the following standards:
67			<u>i.</u>	The production capacity and associated activities of the
68				alcoholic beverage must comply with the license issued
69				by the State of Maryland Comptroller's Office.
70			<u>ii.</u>	Some ingredients used in the production process must be
71				grown on-site.
72			<u>iii.</u>	The underlying land must be classified as agricultural by
73				the State Department of Assessments and Taxation.
74			<u>iv.</u>	Subject to all licensing requirements, the facility may:

75					<u>(a)</u>	operate an on-site tasting room for its products;
76						<u>and</u>
77					<u>(b)</u>	prepare and sell food to the extent allowed by the
78						State alcohol manufacturing license.
79				<u>v.</u>	Even	ts and activities that are normal and customary to
80					the re	egular operations of a winery, cidery, brewery, and
81					distil	<u>lery</u> <u>are</u> <u>allowed.</u>
82				<u>vi.</u>	Wed	dings, corporate retreats, and other events accessory
83					to the	e production of alcohol are allowed:
84					<u>(a)</u>	A maximum number of 9 events or activities with
85						more than 300 participants is allowed in a calendar
86						year. Additional events with more than 300
87						participants require conditional use approval by the
88						Hearing Examiner under Section 7.3.1.
89					<u>(b)</u>	All parking must be accommodated on site.
90					<u>(c)</u>	Noise levels must satisfy Chapter 31B standards.
91				<u>vii.</u>	If any	y structure is used for activities under subsection iv,
92					<u>v, or</u>	vi, the structure must satisfy all building, life safety,
93					fire,	and sanitation code requirements.
94			<u>b.</u>	Whe	re Farr	m Alcohol Production is allowed as a conditional
95				use,	<u>it</u> must	satisfy the standards under Section 7.3.1.
96	<u>C.</u>	Farm	Mark	ket, On	-site	
97	* *	*				
98	Secti	on [3.	2.12]	<u>3.2.11</u> .	Temp	orary Agricultural Uses
99	* *	*				
100	B.	Seas	onal C	Outdoor	Sales	
101	* *	*				

- 102 2. Use Standards
- Where Seasonal Outdoor Sales is allowed as a limited use, it must
- satisfy the following standards:
- 105 \* \* \*
- d. Evergreen trees may only be sold beginning the first Saturday
- following Thanksgiving Day through December 24<sup>th</sup>, and are
- exempt from Section [3.2.12.B.2.b] <u>3.2.11.B.2.b</u> and Section
- 109 [3.2.12.B.2.e.ii] 3.2.11.B.2.e.ii.
- 110 \* \* \*

111

- Sec. 4. Division 8.2 is amended as follows:
- 112 **Division 8.2. Residential Floating Zones**
- 113 Section 8.2.3. Use Table for the RT and R-H Zones
- 114 A. Section 3.1.1 through Section 3.1.4 apply to the Use Table in Section 8.2.3.
- 115 B. The following Use Table identifies uses allowed in each zone. Uses may be modified in Overlay zones under Division 4.9.

USE OR USE GROUP	Definitions and Standards	RT-6.0	RT-8.0	RT- 10.0	RT- 12.5	RT- 15.0	R-H
AGRICULTURAL							
* * *							
Temporary	[3.2.12]						
Agricultural Uses	<u>3.2.11</u>						
Seasonal Outdoor	[3.2.12.B]	<sub>P</sub> 1	р1	р1	р1	р1	
Sales	3.2.11.B	Υ	PI	P1	N1	Υ	

- 117 **Key:** P = Permitted Use L = Limited Use C = Conditional Use Blank Cell = Use Not
- 118 Allowed
- 119 **1** Limited to the sale of Christmas trees between December 5 and December 25.
- 120 \* \* \*

121	<b>Sec. 5.</b> Effective date. This ordinance becomes effective 20 days after the
122	date of Council adoption.
123	
124	This is a correct copy of Council action.
125	
126	
127	Megan Davey Limarzi, Esq.
128	Clerk of the Council

# Section 3.2.4. Equestrian Facility

g. Equestrian events are restricted as follows:

	Hours of Operation Number of Participants and Spectators					
Site Requirements	Su-	Fr-Sa	Event	Informal Event	Minor Event	Major Event
			0-25	26-50	51-150	151-300
Up to 17.9 acres	6am- 9pm	6am- 10pm	Unlimited on any day	None	None	None
18 - 24.9 acres	6am- 9pm	6am- 10pm	Unlimited on any day	Unlimited on Sat, Sun and holidays; maximum of 6 weekdays per month	None	None
25 - 74.9 acres	6am- 9pm	6am- 10pm	Unlimited on any day	Unlimited on Sat, Sun and holidays; maximum of 6 weekdays per month	Maximum of 7 per year	None
75+ acres and direct access to a roadway with an arterial or higher classification	6am- 9pm	6am- 10pm	Unlimited on any day	Unlimited on Sat, Sun and holidays; maximum of 6 weekdays per month	Maximum of 7 per year	Maximum of 3 per year lasting up to 3 consecutive days each

h. A permit must be obtained from DPS for each event involving between 151 and 300 participants and spectators, per day. The applicant must specify the nature of the event, the anticipated attendance of spectators and participants, the number of days the event will take place, the hours during which the event will take place, the area to be used for parking, any traffic control measures intended to be put in place, and any other information determined by DPS to be relevant to the issuance of the permit. A fee for issuance of the permit may be set by DPS.

i. An Equestrian Facility conditional use application may be filed with the Hearing Examiner to deviate from any limited use standard regarding: number of participants and spectators; number of events each year; event acreage; or hours of operation. An Equestrian Facility conditional use approval must be renewed every 5 years. Before the conditional use is renewed the Hearing Examiner must evaluate the effectiveness of the terms and conditions of the original approval.