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PUBLIC HEARING MEMORANDUM

DATE: September 8, 2023

TO: Councilor Deborah Crossley, Chair, Zoning & Planning Committee
Members of the Zoning & Planning Committee

FROM: Barney Heath, Director, Department of Planning and Development
Jennifer Caira, Deputy Director Department of Planning and Development
Katie Whewell, Chief Planner
Zachery LeMel, Chief of Long Range Planning
John Sisson, Economic Development Director
Joe Iadonisi, Planning Associate

RE: **#206-23 Discussion and review relative to the proposed new zoning use, Craft Beverage Establishment**
COUNCILOR LIPOF requesting review, discussion, and possible ordinance amendments relative to Chapter 30 zoning ordinances pertaining to craft beverage production. Possible amendments would remove prohibition on bottling alcoholic beverages and propose opportunities for other craft beverage production and accessory retail.

MEETING: September 11, 2023

CC: City Council
Planning and Development Board
Jonathan Yeo, Chief Operating Officer

Craft Beverage Establishment

Under the guidance of the City Council Zoning and Planning Committee (ZAP), the Planning Department proposes a new use for craft beverage production in Newton. The intent of this change is to promote economic development, increase the attractiveness of Newton for visitors and new residents, and increase the City's tax revenue.

Discussion

A Prohibition-era zoning ordinance, Ch. 30 § 6.5.4 (1920), currently prevents bottling of alcoholic beverages in the City of Newton. While not explicitly prohibiting canning or producing alcoholic beverages for on-site consumption, this ordinance limits an important revenue stream for producers looking to locate in Newton and encourages craft beverage producers to establish their businesses in surrounding communities that allow such usages.

According to January 2022 research from Oxford Economics, each brewery employee is directly responsible for \$144,000 in Gross Value Added to the economy. Indirectly, breweries benefit neighboring establishments, in particular the restaurant and hospitality industry. Ensuring a competitive commercial sector with more diverse uses benefits residents through direct employment and improved traffic to adjacent business. Both directly through commercial property tax and indirectly through increased traffic, these economic benefits can also mean more tax revenue for the City.

Additionally, craft beverage establishments can improve Newton's quality of life for current residents while attracting visitors. These establishments can create a social and communal benefit as these spaces serve as a gathering place for communities and often host musicians, artists, community and club meetings, and activities such as yoga and run clubs.

Change Summary and Intent

The intent of this zoning change is to enable breweries, wineries, distilleries, and other similar establishments to locate in Newton. Whereas the current ordinance prohibits bottling alcoholic beverages, creating ambiguity and encouraging prospective craft beverage producers to locate elsewhere, this proposed amendment is meant to give explicit permission for brewers, entrepreneurs, and existing businesses to operate craft beverage establishments in the City of Newton.

The proposed zoning amendment order language is available as Appendix A. The proposed zoning change defines craft beverage establishments, sets standards for their use by-right and special permit, and determines zoning districts for such uses, and establishes parking standards.

The definition is intended to be inclusive of any type of activity that produces and/or containerizes alcohol, meaning not just breweries, wineries, and distilleries, but also tap rooms, filling of growlers or cans in retail shops, and other types of craft alcohol production.

There are two types of establishments in the standards: one for on-premise consumption, typical of a brewery or winery, and one for off-premise consumption, typical of a craft beverage store or more distribution-oriented brewery or producer. While this second use is less common, this distinction is important for enabling the Council to further refine where craft beverage establishments are appropriate and determine whether the establishment should more closely follow restaurant parking versus retail and manufacturing parking.

Both uses are limited to 10,000 square feet by right in Business Use 1-5 and Mixed Use 1-4. Additional floor area is available by special permit in Business Use 1-5 and Mixed Use 1-2 and by right in Manufacturing and Limited Manufacturing districts.

Appendix A: New Use- Craft Beverage Establishment Delete Sec. 4.4 “Bottling works (except for alcoholic beverages)” row.

Add “6.4.10 Craft Beverage Establishment” after “6.4.9 Car Wash” and renumber subsequent sections.

Add “6.4.10.A Defined. Any properly licensed establishment licensed under M.G.L. Chapter 138 that produces and/or containerizes alcoholic or alcoholic and non-alcoholic beverages for consumption on and/or off premises. This includes but is not limited to breweries, microbreweries, brew pubs, distilleries, wineries, meaderies, cideries, and tap rooms.”

Add “6.4.10.B Standards for Allowed Uses.”

Add “6.4.10.B.1 Craft Beverage Establishments: Off-Premise Consumption Only. Establishments may produce and/or containerize and sell alcoholic or alcoholic and non-alcoholic beverages for off-site consumption by retail sale and wholesale. These establishments must occupy a building or portion of a building that has a floor area of no less than 10,000 square feet except in Manufacturing and Limited Manufacturing districts.”

Add “6.4.10.B.2 Craft Beverage Establishments: On-Premise Consumption. Establishments may produce and/or containerize and sell alcoholic or alcoholic and non-alcoholic beverages for on-premise consumption. Retail sale or wholesale of closed containers for off-premise consumption is also allowed. These establishments must occupy a building or portion of a building that has a floor area of no more than 10,000 square feet except in Manufacturing and Limited Manufacturing districts.”

Add “6.4.10.B.3 In all districts, outdoor sidewalk seats are permitted under revised Ordinances Chapter 12, Section 12-70.”

Add “6.4.10.C Standards for Special Permit Uses.”

Add “6.4.10.C.1 In Business Use 1-5, and Mixed Use 1 and 2 districts, Craft Beverage Establishments occupying a building in excess of 10,000 square feet may seek a special permit.”

In 4.4.1 after row “Car Wash” add row “Craft Beverage Establishment: Off-Premise Consumption” and in that row add in that row add “L/SP” in the BU1-5 and MU1-4 columns. Add “L” in the M and LM columns.

In 4.4.1 after row “Craft Beverage Establishment: Off-Premise Consumption” add row “Craft Beverage Establishment: On-Premise Consumption” and in that row add “L/SP” in the BU1-5 and MU1-4 columns. Add “L” in the M and LM columns.

In 5.1.4.A “Number of Parking Stalls” table after “Bank” row add a new row “Craft Beverage Establishment: Off-Premise Consumption” and in that row add “1 per every 500 sf plus 1 per every 4 employees” in “Parking Stalls Required” column.

In 5.1.4.A “Number of Parking Stalls” table after “Bank” row add a new row “Craft Beverage Establishment: On-Premise Consumption” and in that row add “1 per every 5 patron seats excluding any sidewalk and parking space café seating permitted under Sec. 12-70” in “Parking Stalls Required” column.