Ordinance No.: 18-51

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

- Standards

Draft No. & Date: 7 - 10/2/18 Introduced: April 10, 2018 Public Hearing: May 15, 2018 Adopted: October 2, 2018 Effective: October 22, 2018

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: Councilmembers Leventhal, Katz, Floreen, Navarro, and Hucker

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.

OPINION

Zoning Text Amendment No. 18-03 was introduced on April 10, 2018. ZTA 18-03 would allow Farm Alcohol Production in Agricultural and Rural Residential zones under certain circumstances.

Currently, wineries are specifically allowed in Agricultural and Rural Residential zones. 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. 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 300 or more participants. A larger number of events could only be allowed if the use is approved as a conditional use.

On April 27, 2018, in the memorandum to the Planning Board, Planning staff had no objection to the intent of ZTA 18-03 but thought more conversation was warranted on the issue of events. Planning staff noted that Equestrian Facilities had regulated events in terms of the number of participants, the hours of operation, and the number of events, based on the parcel size. On May 14, 2018, the Planning Board agreed with Planning staff's comments.

The Council's public hearing was conducted on May 15, 2018. Doug Lechlider, speaking on behalf of the Agricultural Advisory Committee, and Ed Boyce, founder of Black Ankle Vineyards, spoke in favor of ZTA 18-03 but expressed a concern that potential amendments to the ZTA may make it too restrictive on how the alcohol producer must use on-site agricultural products; in their opinion, the winery standard of 5 acres of fruit production would not work for breweries. Robert Butz also spoke in support of ZTA 18-03. In his opinion, it will promote a vibrant and successful Agricultural Reserve. Bob Sissle (speaking for the Montgomery Agricultural Producers), Drew Baker (founder of Old Westminster Winery), Jessica Snyder (Waredaca Brewing Company), and Phil Mooth (Brookfield Beer Farm) all supported ZTA 18-03 as a means of favoring the agricultural use of land and agritourism.

Caroline Taylor, speaking on behalf of 11 civic groups and 11 individuals, wanted the ZTA to assure master plan consistency and to mitigate impacts with a clear set of standards. Jim Brown, Sugarloaf Board member, recommended that the Council think about the safety aspects of more

tasting room participants driving on rural roads. He recommended distinguishing the approval process for large "beer halls" (300 participants) and smaller-scale tasting rooms. Tom Hertzog opposed ZTA 18-03. In his opinion, because it removes alcohol production from the requirement for a conditional use, the marketing for tasting rooms would change the character of the Agricultural Reserve.

The Council referred the text amendment to the Planning, Housing, and Economic Development Committee for review and recommendation.

The Planning, Housing, and Economic Development Committee held a worksession on July 23, 2018. The Committee recommended approving ZTA 18-03 with amendments.

The Committee (3-0) reaffirmed its recommendation from July 9, 2018 and recommended adding the following provisions that state:

- 1) the use must be accessory to the farm on which the alcohol production facility is located:
- 2) the specific alcohol producers' licenses must be approved and complied with;
- 3) the majority of the ingredients used in the alcohol production process must be grown in the County or from regionally-grown products (as defined by the Committee's recommendation), if available at competitive prices; and
- 4) a long-range plan to increase the use of local Montgomery County agricultural products in the production process must be submitted to the Department of Permitting Services.

The Council, in the course of 2 meetings on September 14 and October 2, 2018, revised the recommendations of the Committee by:

- 1) further limiting events (ordinary and customary events are limited to 5 ticketed or events with a cover charge; non-farm related events are limited to 225 people a maximum of 50 times per year; a log of events must be maintained; and the number of events may increase with conditional use approval);
- 2) requiring that agricultural products grown on site be used in the alcohol production process (5 acres on site or on abutting property for wineries and one acre of ingredients grown on site for breweries and distilleries);
- 3) requiring a schedule with the plan to increase Montgomery County products in the production process;
- 4) requiring a minimum site size for breweries and distilleries (25 acres for sites that have not been issued an alcohol producer's license);
- 5) requiring a 100-foot setback from a dwelling unit on an abutting property; and
- 6) a schedule to increase the use of products grown on site.

For these reasons, and because to approve this amendment will assist in the coordinated, comprehensive, adjusted, and systematic development of the Maryland-Washington Regional District located in Montgomery County, Zoning Text Amendment No. 18-03 will be approved as amended.

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:

Ordinance No.: 18-51

- Sec. 1. Division 1.4 is amended as follows: 1 2 **Division 1.4. Defined Terms** Section 1.4.2. Specific Terms and Phrases Defined 3 * 4 Agricultural Vending: See Section [3.2.12.A.1] 3.2.11.A.1 5 * * 6 7 Farm Airstrip, Helistop: See Section [3.2.11.A.1] 3.2.10.A.1 **Farm Alcohol Production:** See Section 3.2.10.B.1 8 Farm Market, On-site: See Section [3.2.11.B.1] 3.2.10.C.1 9 * 10 **Regionally-Grown Products:** Grains, fruits, vegetables, flowers, or honey 11 harvested within the 5-state area of Maryland, Virginia, West Virginia, Delaware, 12 and Pennsylvania and the city of Washington, DC. 13 * 14 **Seasonal Outdoor Sales:** See Section [3.2.12.B.1] 3.2.11.B.1 15 * * 16 [Winery: See Section 3.2.10.A] 17 * 18 Sec. 2. Division 3.1 is amended as follows: 19 **Division 3.1. Use Table** 20 * * 21 Section 3.1.6. Use Table
- 22
- 23 The following Use Table identifies uses allowed in each zone. Uses may be
- modified in Overlay zones under Division 4.9. 24

				Rural			Residential												Commercial/							Industrial		
USE OR USE GROUP	Definitions and	Ag	Residential		Residential Detached								sidential Residential				Employment											
	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> </u>	<u>L/</u> <u>C</u>	<u> </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

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

53		b.	The minimu	um setback for any structure from any lot line is 75						
54			feet, except	that the minimum front setback may be reduced to						
55			50 feet if th	e Hearing Examiner finds the reduced setback is						
56			compatible	with abutting and confronting agricultural uses.						
57		c.	The lot mus	st front on and have access to a road built to primary						
58			residential of	or higher standards.]						
59	Section [3.	2.11] <u>:</u>	3.2.10. Access	sory Agricultural Uses						
60	* * *									
61	B. Farm	Alco	hol Production	<u>n</u>						
62	<u>1.</u>	<u>Defi</u>	<u>ned</u>							
63		<u>Farn</u>	<u>n Alcohol Pro</u>	duction means the transformation of agricultural						
64		prod	ucts into alco	holic beverages. Farm Alcohol Production includes						
65		wine	wineries, cideries, breweries, or distilleries on farms. Farm Alcohol							
66		Prod	roduction may include other activities unrelated to the production							
67		and	sale of alcoho	d or farming under certain circumstances.						
68	<u>2.</u>	<u>Use</u>	<u>Standards</u>							
69		<u>a.</u>	Where Farm	n Alcohol Production is allowed as a limited use, it						
70			must satisfy	the following standards:						
71			<u>i.</u> The p	production capacity and associated activities of the						
72			alcoh	nolic beverage must comply with the license issued						
73			<u>by</u> th	e State of Maryland Comptroller's Office.						
74			<u>(a)</u>	A brewery must have a Class 8 Farm Brewery						
75				<u>License</u> ;						
76			<u>(b)</u>	A winery must have a Class 4 Limited Winery						
77				License; and						
78			<u>(c)</u>	A distillery must have a Class 1 Distillery License.						

79	<u>ii.</u>	Some	<u>ingredi</u>	ents used in the production process must be
80		grow	<u>n</u> [[<u>on-si</u>	ite]] on site.
81	<u>iii.</u>	Wine	ries and	cideries must have at least 5 acres of fruit
82		used	in alcoh	ol production grown on site or on abutting
83		or co	nfronting	g property rented by the producer, and:
84		<u>(a)</u>	have at	t least 20 acres of grapes or other fruit in
85			cultiva	tion on property they own, rent, or control;
86			<u>or</u>	
87		<u>(b)</u>	source	a majority of their grapes or other fruit from
88			Maryla	<u>ınd.</u>
89	<u>iv.</u>	Brew	eries and	d distilleries must source a majority of their
90		ingre	dients, it	f available at competitive prices, from
91		Regio	onally-G	rown Products. At least 1.0 acre of
92		ingre	dients m	ust be grown on site for use in the alcohol
93		produ	ction pr	ocess.
94	<u>V.</u>	A pla	n with a	schedule to increase the use of local
95		<u>Mont</u>	gomery	County agricultural products in the
96		produ	ction pr	rocess must be submitted to the Department
97		of Pe	rmitting	Services.
98	[[<u>iii</u>]	<u>]vi.</u>	The un	derlying land must be classified as
99		agric	ultural b	y the State Department of Assessments and
100		Taxa	tion and	the facility must be an accessory use of the
101		<u>farm.</u>		
102	[[<u>iv</u>]	<u>vii.</u>	Subject	t to all licensing requirements, the facility
103		may:		
104			<u>(a)</u> <u>o</u>	operate an on-site tasting room for its
105			1	products; and

106	(b) prepare and sell food to the extent allowed
107	by the State alcohol manufacturing license.
108	[[v]]viii. Events and activities that are normal and
109	customary to the regular operations of a winery, cidery,
110	brewery, and distillery, including membership-related
111	events and traditional festivals related to agriculture or
112	the business of alcohol production, are allowed without a
113	<u>limitation on the number of guests. A maximum of 5</u>
114	days of events that require an entrance ticket or a cover
115	charge is allowed each calendar year.
116	[[vi]]ix. Weddings, corporate retreats, and other events
117	accessory to the production of alcohol are allowed if the
118	number of guests is equal to or lower than the capacity
119	allowed by the Department of Permitting Service's Use
120	and Occupancy Permit for on-site buildings:
121	(a) [[A maximum number of 9 events or activities
122	with more than 300participants is allowed in a
123	calendar year. Additional events with more than
124	300 participants require conditional use approval
125	by the Hearing Examiner under Section 7.3.1.
126	Except as provided in Subsection (b), the
127	maximum number of participants at any event is
128	150. The total maximum number of days of events
129	in a calendar year is 50 including larger events
130	allowed under subsection (b).]] Except as allowed
131	under subsection (c), the maximum number of
132	participants at any event is 225. There is no limit

133			on the number of events with 100 participants or
134			fewer. The total maximum number of days of
135			events in a calendar year is 50 for events with
136			more than 100 participants.
137		<u>(b)</u>	[[All parking must be accommodated on site.]]
138		[[(c)	Noise levels must satisfy Chapter 31B standards.]]
139			A written log of all events must be kept by the
140			holder of the alcohol production license. That log
141			must be available for inspection by the Department
142			of Permitting Services.
143		<u>(c)</u>	As a conditional use under Section 7.3.1, the
144			Hearing Examiner may approve additional days of
145			large public events and events with greater
146			numbers of participants for either normal and
147			customary events or other accessory events.
148	[[<u>vii</u>]]	<u>X</u> .	If any structure is used for activities under
149		subse	ction [[iv, v, or vi]] vii, viii, or ix, the structure must
150		satisf	y all building, life safety, fire, and sanitation code
151		requir	rements.
152	<u>xi.</u>	<u>Illum</u>	ination at the property line must be limited to 0.1
153		footca	andles or less.
154	<u>xii.</u>	All pa	arking must be accommodated on site.
155	<u>xiii.</u>	Noise	e levels must satisfy Chapter 31B standards.
156	<u>xiv.</u>	Any r	new building or surface parking area used for Farm
157		Alcoh	nol Production and related events must be located at
158		<u>least</u>	100 feet from an existing dwelling unit on an
159		<u>abutti</u>	ng property.

160				\underline{XV} .	In the AR zone, except for sites where the property
161					owner obtained a Maryland alcohol producer's license
162					before October 2, 2018, the minimum site area for
163					breweries and distilleries is 25 acres.
164			<u>b.</u>	When	re Farm Alcohol Production is allowed as a conditional
165				use, i	t must satisfy the standards under Section 7.3.1.
166	<u>C.</u>	Fa	rm Ma	arket, On-	esite
167	*	*	*		
168	Sect	ion [3.2.12	2] <u>3.2.11</u> .	Temporary Agricultural Uses
169	*	*	*		
170	B.	Se	asonal	Outdoor	Sales
171	*	*	*		
172		2.	Us	se Standa	rds
173			W	here Seas	sonal Outdoor Sales is allowed as a limited use, it must
174			sa	tisfy the f	Following standards:
175	*	*	*		
176			d.	Ever	green trees may only be sold beginning the first Saturday
177				follo	wing Thanksgiving Day through December 24th, and are
178				exem	pt from Section [3.2.12.B.2.b] <u>3.2.11.B.2.b</u> and Section
179				[3.2.]	12.B.2.e.ii] <u>3.2.11.B.2.e.ii</u> .
180	*	*	*		
181		Se	c. 4. D	ivision 8	.2 is amended as follows:
182	Divi	sion	8.2. R	esidentia	al Floating Zones
183	Sect	ion 8	3.2.3. 1	Use Tabl	e for the RT and R-H Zones
184	A.	Se	ction 3	3.1.1 thro	ugh Section 3.1.4 apply to the Use Table in Section 8.2.3.
185	B.	Th	e follo	owing Use	e Table identifies uses allowed in each zone. Uses may be
186		ma	ndified	in Overl	ay zones under Division 4.9.

Ordinance No.: 18-51

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	3.2.11						
Seasonal Outdoor	[3.2.12.B]	\mathbf{P}^1	\mathbf{p}^1	\mathbf{P}^1	\mathbf{P}^1	\mathbf{P}^1	
Sales	3.2.11.B	r	Г	Г	Г	Г	

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

- 188 Allowed
- 189 1 Limited to the sale of Christmas trees between December 5 and December 25.
- 190 * * *

195

- 191 **Sec. 5. Effective date**. This ordinance becomes effective 20 days after the
- date of Council adoption.
- 194 This is a correct copy of Council action.
- 196 _____
- 197 Megan Davey Limarzi, Esq.
- 198 Clerk of the Council