

STUDY SESSION AGENDA

CITY COUNCIL
CITY OF WHEAT RIDGE, COLORADO

7500 W. 29th Ave.
Wheat Ridge CO

December 5, 2016

6:30 p.m.

Individuals with disabilities are encouraged to participate in all public meetings sponsored by the City of Wheat Ridge. Call Carly Lorentz, Assistant to the City Manager at 303-235-2867 at least one week in advance of a meeting if you are interested in participating and need inclusion assistance.

Citizen Comment on Agenda Items

1. Staff Report(s)
2. Small-scale Alcohol Production Facility Regulations
3. Regulations for new Site Design Standards
4. Elected Officials' Report(s)

ADJOURNMENT

Memorandum

TO: Mayor and City Council

THROUGH: Kenneth Johnstone, Community Development Director

FROM: Lisa Ritchie, Planner II

DATE: November 18, 2016 (for December 5 Study Session)

SUBJECT: Small-scale Alcohol Production Facility Regulations

ISSUE

Chapter 26 of the Code of Laws is currently silent with respect to all alcohol production facilities. On a case by case basis, the City has approved small breweries and restaurants with accessory brewing facilities by classifying them as similar to light industrial or restaurant uses, as appropriate. The Community Development Department has experienced a continued level of interest from small-scale breweries and distilleries, and it would be of benefit to the City to evaluate this use and determine if specific regulations are appropriate.

There are benefits to the City and the business community in providing clarity in the zoning code as to whether and where small-scale alcohol production and tap rooms are permitted. The purpose of this memo is to introduce a potential framework for classifying and permitting these uses.

BACKGROUND

Recent years have shown a sustained rise in the number of alcohol production facilities nationally and in Colorado, particularly those producing at a smaller and more local scale. These newer facilities are commonly referred to as craft breweries, brewpubs and microbreweries. To a lesser extent, a rise in microwineries and microdistilleries is also present. Some commonalities of these facilities include small scale production intended for local distribution, tasting or taprooms, and sometimes the inclusion of a restaurant. The success that some of these small facilities are experiencing is leading them to expand into larger scale production facilities, either at the same location, or to a new location more suited to distribution and manufacturing.

The economic development impact of the craft brew industry is significant in Colorado. As of 2015, the Brewers Association reported that the state had 284 craft breweries which produced 1,775,831 barrels of craft beer annually, with a \$2.7 billion annual impact on the state's economy.

Some neighboring jurisdictions including Denver, Fort Collins, Littleton, Englewood, and Boulder, have regulations allowing for a broad range of these uses. Others, including Lakewood and Arvada, only allow alcohol production as an accessory use to a bar and/or restaurant.

Staff has conducted preliminary research to consider possible ways that Wheat Ridge could allow these uses. This research has included review of other jurisdictions and consultation with the City Clerk's office to understand both state and local liquor laws in order to ensure compatibility with any new zoning code amendments. In order to permit these types of facilities, the zoning code could be amended to include new definitions to establish the use categories. If it is the City's desire to allow small-scale alcohol production, related size thresholds should be considered to ensure that the scale of a facility is appropriate for the associated zone districts. A determination of the zone districts in which small alcohol production is appropriate should also occur.

PROPOSED REGULATORY FRAMEWORK

If Council is supportive of addressing small-scale alcohol production, staff would recommend a simple and clear framework that uses size thresholds, new definitions, and the zoning use charts to address the issue. These three elements are described below.

Size

Both state liquor laws and industry associations classify facilities by production volume. A number of other communities' zoning regulations also classify alcohol producers by production volume. As this is the common metric within the industry, it is reasonable to establish an upper limit to define what is meant by a small-scale alcohol production facility. Facilities over this limit could be treated as an industrial use, and permitted as a "manufacturing" use in the Industrial-Employment or planned development zone districts. This approach is consistent with how Longmont and Fort Collins have handled large production facilities, including Oskar Blues and New Belgium Brewing Company. The following thresholds are proposed:

- **15,000 barrels per year** for fermented malt or malt liquor beverages (beer)
 - This classification is consistent with the Brewers Association threshold for a Microbrewery, and is the threshold used for a number of other regional communities, including Fort Collins and Golden.
- **15,000 gallons per year** for spirituous beverages (distilled beverages)
- **100,000 gallons per year** for vinous beverages (wine)
 - It is noted that the trade associations for these two categories are decentralized and there is no production threshold that is consistently applied. The thresholds established for other communities were evaluated, which also revealed a wide range of thresholds. The thresholds proposed above are consistent with the values used by the City of Fort Collins. Staff consulted with the Ft. Collins' planning department, who indicated that the thresholds, to date, have been appropriate for their commercial corridors and they have received little to no negative feedback from the community.

Definitions

The term “eating establishment” is currently used throughout the zoning code, but it is not defined, and there are no terms or definitions related to alcohol production. To establish uses related to alcohol production, the following definitions are proposed to be included in the code:

- A definition for “Eating Establishment” should be included in the code, and by explicitly allowing accessory alcohol production within a restaurant setting, a use such as a brewpub would be permitted.
 - *Eating Establishment.* An establishment where food and beverages are prepared and sold to the public, which may include accessory alcohol production.
- Definitions specific to small-scale production facilities and tap rooms could include the following:
 - *Microbrewery.* A facility that produces no more than fifteen thousand (15,000) barrels per year of fermented malt or malt liquor beverages on site
 - *Microdistillery.* A facility that produces no more than fifteen thousand (15,000) gallons per year of spirituous beverages on site
 - *Microwinery.* A facility that produces no more than one hundred thousand (100,000) gallons per year of vinous beverages on site
 - *Tap Room.* A use associated with and on the same premises as a microbrewery, a microdistillery, or a microwinery facility which sells and serves alcohol beverages for consumption on the licensed premises, sells alcohol beverages in sealed containers for consumption off the premises, or both

Zoning and Use Chart

Staff evaluated other communities' zoning regulations to determine in which zone districts small alcohol production facilities were permitted, how they are permitted (whether by-right or through a special use review), and what standards are included. It appears that the majority of the communities allow smaller scale breweries in most of their commercial and industrial areas. Again, most communities were silent with regard to large scale facilities, presumably because large-scale facilities are considered to be a general manufacturing use.

Staff is proposing a further break down of these uses by whether or not they include a tap room. Because a tap room is a retail component that allows the general public to sample product, facilities with tap rooms are permitted in most of the City's commercial and mixed use districts. Facilities without a tap room would only include production and staff recommends they be treated as industrial uses. The following tables identify these proposed uses by zone district:

Table of Uses – Commercial and Industrial Districts

<i>Uses</i>	<i>NC</i>	<i>RC</i>	<i>C-1</i>	<i>C-2</i>	<i>I-E</i>
Microbrewery, microdistillery, or microwinery; with a Tap Room	S	S	P	P	P
Microbrewery, microdistillery, or microwinery; without a Tap Room					P

Table of Uses – Mixed Use Districts

<i>Use Group</i>	<i>MU-C</i>	<i>MU-C Interstate</i>	<i>MU-C TOD</i>	<i>MU-N</i>
Microbrewery, microdistillery, or microwinery; with a Tap Room	P	P	P	P
Microbrewery, microdistillery, or microwinery; without a Tap Room		P		

ADDITIONAL PROVISIONS

The inclusion of other provisions related to loading areas, outdoor storage, and parking are not necessary as they are adequately provided for in the existing zoning code.

In addition to addressing alcohol production, the City Clerk's office has recommended consideration of accessory alcohol sales in the zoning code. This is due to changes in the Colorado Liquor Code that allow a "lodging and entertainment facility" to sell and serve alcohol beverages at retail for consumption on the premises. For example, hair salons or spas are permitted by state law to serve champagne or other alcoholic beverages. Staff is seeking direction as to Council's interest in this concept of allowing accessory alcohol sales in the zoning code to better align with address Colorado Liquor Code.

NEXT STEPS

As described in this memo, staff is proposing a code amendment that would address small-scale alcohol production and tap rooms in the City's zoning code. Council is asked to provide direction on the following items:

- Is there support for addressing small-scale alcohol production in the zoning code?
- Is there support for the regulatory framework proposed in this memo?
- Is there support for addressing alcohol sales to align with Colorado Liquor Code?

If there is Council support for these issues, staff will move forward with the proposed code amendments in early 2017.

ATTACHMENTS:

1. Comparison community regulations

Table of Comparison Community Alcohol Production Facility regulations

Jurisdiction	Defined Terms	Size or Quantity Thresholds	Zone Districts	Other Provisions
Arvada	No	NA	NA	Production of fermented malt beverages, malt, special malt and vinous and spirituous liquors (brew pub), as accessory to a principal restaurant use only
Boulder	Brewpub	None	Considered a restaurant use	Primarily a restaurant use, may include some off-site distribution consistent with state law
	Distillery	None	<15,000 sf = IS-1, IS-2, IG, IMS, IM >15,000 sf = IS-1, IS-2, IG, IM	A use with a manufacturer or wholesaler license under C.R.S., may include tasting room
	Brewery	None		A use with a manufacturer or wholesaler license under C.R.S., may include tap room
	Taproom	Less than 30% of total floor area or 1,000 sf, whichever greater		Associated with and on the same premises as a brewery
	Tasting Room	Less than 30% of total floor area or 1,000 sf, whichever greater		Associated with and on the same premises as a winery or distillery
	Winery	None		A use with a manufacturer or wholesaler license under C.R.S., may include tasting room
Denver	Brewpub	No more than 300 gallons per day	Considered a restaurant use	No more than 30% may be sold to off-premises customers
	Malt beverage manufacturing	Custom = no more than 111,000 gallons/year (3,850 barrels) General = 110,000 or more (3,850 barrels)	See zoning map identifying where General is allowed, all areas require some sort of special review	Code ties uses back to SIC codes and C.R.S. for definitions
	Wine, brandy and brandy spirits manufacturing	Custom = no more than 100,000 gallons/year General = 100,000 or more		
	Distilled and blended liquors manufacturing	Custom = no more than 11,000 gallons/year General = 11,000 or more		
Englewood	Brewpub	Not more than 2,400 barrels/year	M2, MUB1, MUB2, TSA, I1 and I2, see zoning map	Taproom is a conditional use in all districts
Golden	Micro brewery	Not to exceed 15,000 barrels/year	NC, CC2, C1, C2	Allows both on- or off-premises distribution
	Micro distillery	Not to exceed 200 barrels/year		
	Micro winery	Not to exceed 1,000 cases/year		
Lakewood	No	NA	NA	“Bar”- A commercial establishment offering on-site consumption of alcoholic beverages for sale by the drink and may include on-site accessory production of alcohol. “Restaurant”- A commercial establishment where meals are prepared and served to the public, which may or may not include seating facilities, a bar or lounge, or accessory on-site food or alcohol production.
Littleton	Brewery	Within CA zone district (downtown), cannot exceed 6,000 sf unless approved with a CUP	With a tasting room = CA, B-1 and B-2	Tasting room must be in the same building as the manufacturing of the beverage, and shall be oriented toward the public facade.
	Distillery		Without a tasting room = I-1, I-2 and B-3	
	Winery			
Fort Collins	Microbrewery	No more than 15,000 barrels/year	Generally these allowed in all commercial districts (they organize by corridor, such as Harmony Corridor Commercial District)	Restaurant can include production of fermented malt beverages, and/or malt, special malt or vinous and spirituous liquors as an accessory use.
	Microdistillery	No more than 15,000 gallons/year		
	Microwinery	No more than 100,000 gallons/year		

Memorandum

TO: Mayor and City Council

THROUGH: Kenneth Johnstone, Community Development Director

FROM: Lisa Ritchie, Planner II

DATE: November 18, 2016 (for December 5th Study Session)

SUBJECT: Regulations for new Site Design Standards

ISSUE:

The City's development regulations and design standards do not currently include any provisions pertaining to the aesthetics of site grading, stormwater facilities and retaining walls. The purpose of this memo is to discuss proposed standards that could be included in the zoning code related to site grading, stormwater facilities, and retaining wall design. Within Chapter 26, there are scattered references to some of these features, but in staff's opinion, they are not resulting in high quality design in some cases. The inclusion of additional provisions could result in elevated project quality throughout the City as it relates to stormwater facilities, grading and retaining walls.

BACKGROUND:

As part of most development and redevelopment projects throughout the City, there are some components of site design that are more functional in nature, and to date have not been the focus of staff efforts to improve the related design standards. These components include site grading, stormwater facilities, and retaining walls. A graphic attachment is included that illustrates examples of these elements. Additionally, an attachment is provided that includes all related standards identified in the existing code.

Most development will entail some amount of site grading. In some instances, depending on underlying topography and adjacent property elevations, this grading can result in steep slopes and/or the need for retaining walls. The current code has references to grading standards that ensures that land and streets are developed in a manner that is safe (such as maximum slopes). However, these standards can result in areas that are far steeper than what can typically accommodate landscaping, and dramatic changes in grade can have impacts on neighboring property, adjacent right-of-way, and can reduce practical functionality.

Where abrupt grade changes are required as a result of regrading or existing topography, retaining walls are often used. While the City has standards in place to ensure these walls are safe, there are no standards related to their aesthetic design.

Finally, due to state and local regulations, both new development and redevelopment sites are generally required to provide some level of stormwater facilities. The current code is very clear on the technical requirements for stormwater facilities, but it does not discuss aesthetic design.

After witnessing a series of projects that could have implemented more attractive design solutions, staff has conducted research into possible standards that could be appropriate. Community Development staff has collaborated with the Public Works Department to develop potential standards that ensure compatibility between both departments' requirements for all three areas. This coordination has been critical, as the review and oversight of these elements is often shared by both departments.

RECOMMENDATIONS:

Enclosed with this memo is an outline of proposed standards that could be integrated into the zoning code as part of Chapter 26, Article 5 (Design Standards). In addition, staff proposes to include the same requirements within the Architectural and Site Design Manual so that photographs could be included along with additional descriptive text to aid in communication of the standards.

Stormwater Facilities

Stormwater facilities are often built above ground to accommodate runoff from a site. These facilities often include a basin to accommodate stormwater detention. In some instances, (as shown in the attached photographs), these are constructed only from concrete and represent a stark contrast to the natural features and well-articulated structures on a site. The proposed standards would require integration of landscape design, require the use of rocks or landscaping to soften the appearance of concrete structures, and restrict steep side slopes. Staff proposes applying these standards to all new stormwater facilities and to modifications or expansions of existing facilities that exceed 15%.

Site Grading and Retaining Walls

Site grading and retaining walls are interrelated, so proposed regulations would address both. Staff proposes standards that would require site grading to respect the existing topography and surrounding properties. These standards would apply to all site development and to any modification of existing site grading or retaining walls.

Recently, several development projects have resulted in taller retaining walls immediately adjacent to sidewalks. Proposed standards would require that walls and elevation changes adjacent to public spaces would need to be pedestrian-scaled by using terraces, landscaping and material changes for interest. Steep slopes would not be permitted, and transitions in grades would need to be rolling, rather than a continuous straight line. In addition, the proposed language would require that grading designs not adversely impact adjacent property or right-of-way, and should also anticipate future development.

Next Steps

As described in this memo, staff is proposing a code amendment that would address design standards for site grading, stormwater facilities, and retaining walls in the City's zoning code. Council is asked to provide direction on the following items:

- Is there support for addressing design standards for grading, stormwater facilities and retaining walls in the zoning code?
- Is there support for the standards proposed?

If Council determines there is support for these standards, staff will move forward with the proposed code amendments in early 2017.

ATTACHMENTS:

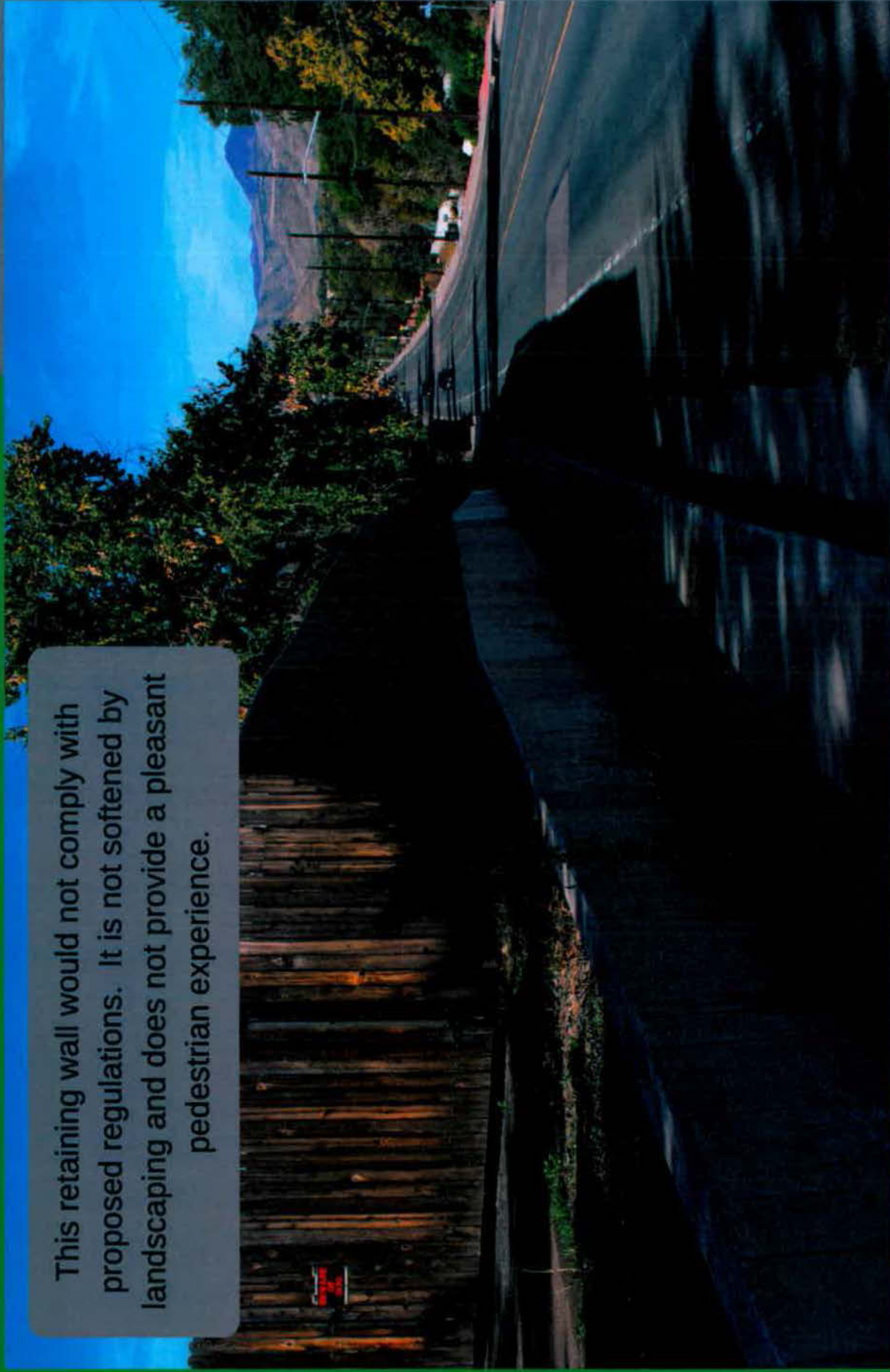
1. Grading, Stormwater and Retaining Wall example images
2. Current standards within Chapter 26
3. Proposed standards

A photograph of a stormwater retention pond. In the foreground, there is a low stone wall. Behind the wall, a body of water is visible, with tall reeds and grasses growing along the edges. In the background, there are trees and a building. The sky is overcast.

STORMWATER FACILITIES & GRADING & RETAINING WALLS

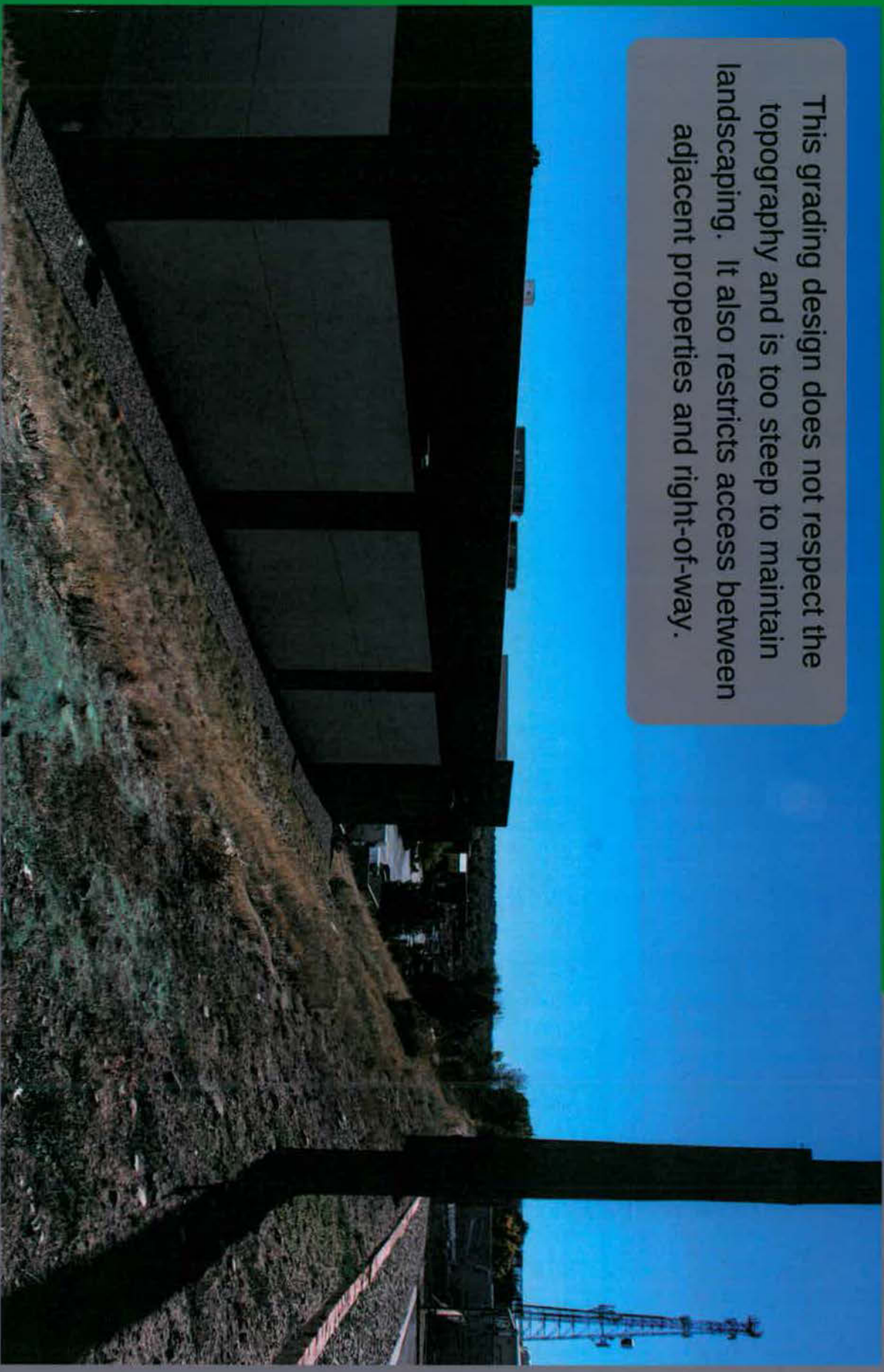
ZONING CODE AMENDMENT

This retaining wall would not comply with proposed regulations. It is not softened by landscaping and does not provide a pleasant pedestrian experience.



GRADING & RETAINING WALLS

This grading design does not respect the topography and is too steep to maintain landscaping. It also restricts access between adjacent properties and right-of-way.



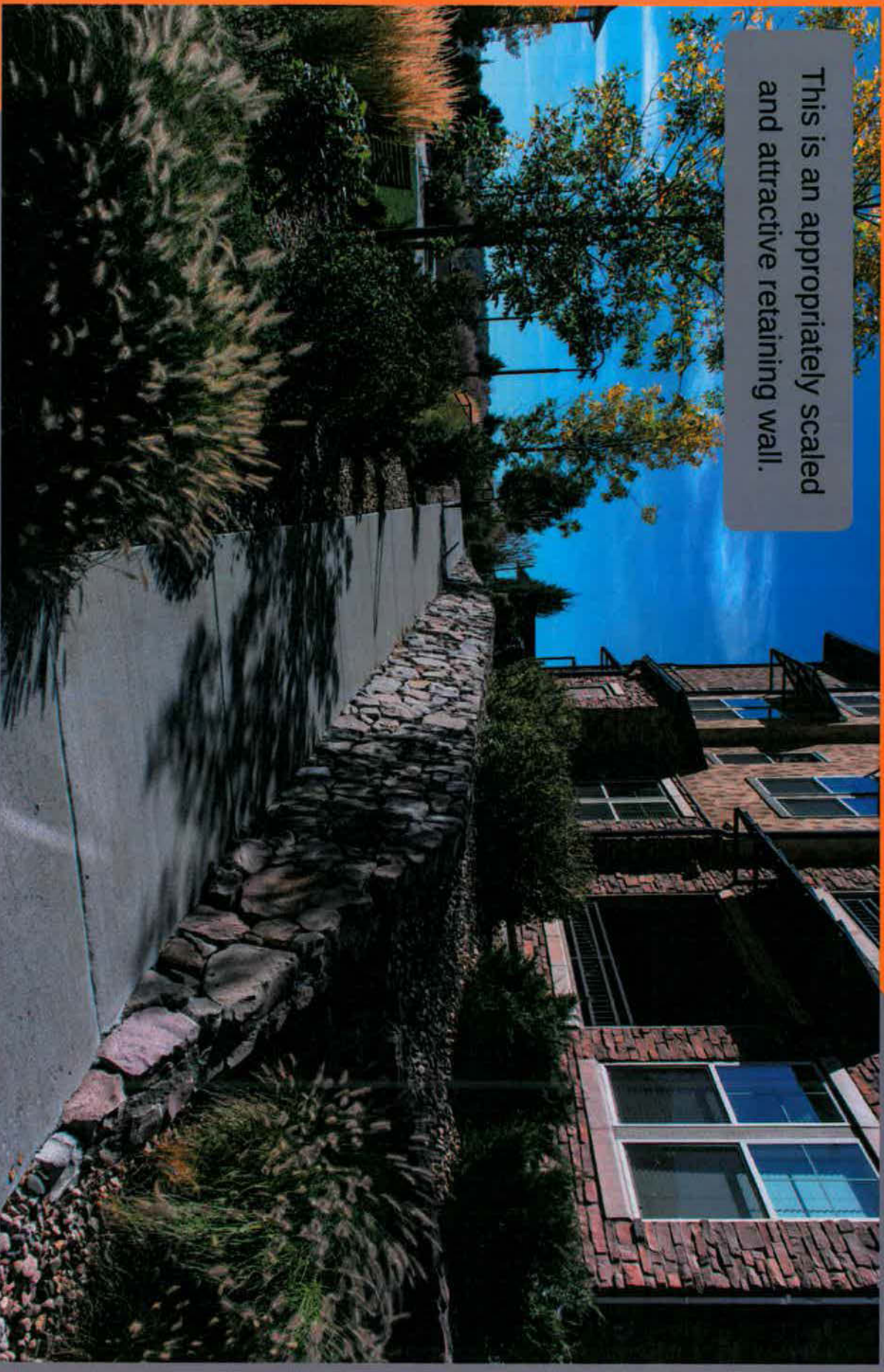
GRADING & RETAINING WALLS

This grading design does not respect the topography and is too steep to maintain landscaping.



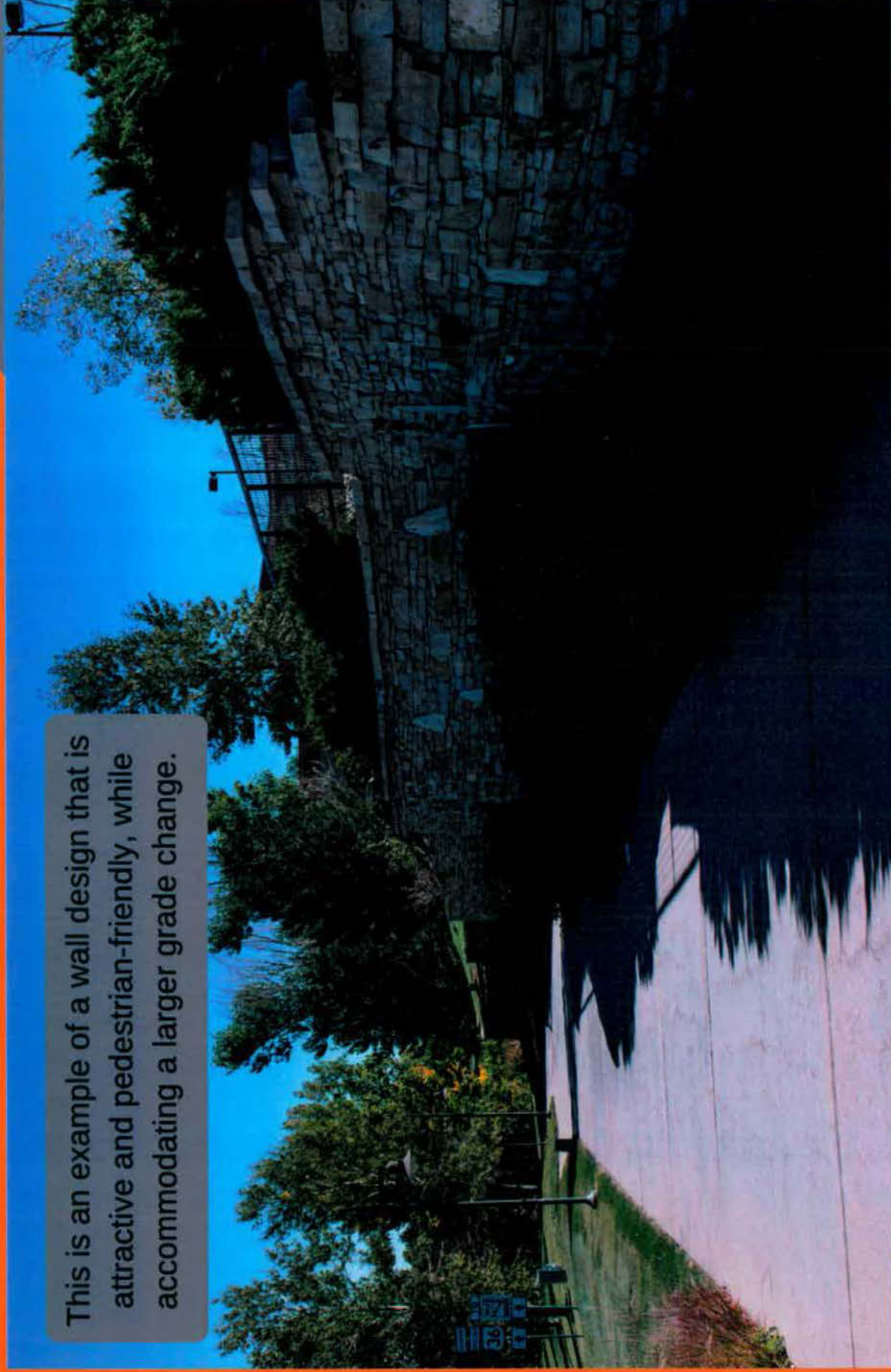
GRADING & RETAINING WALLS

This is an appropriately scaled and attractive retaining wall.



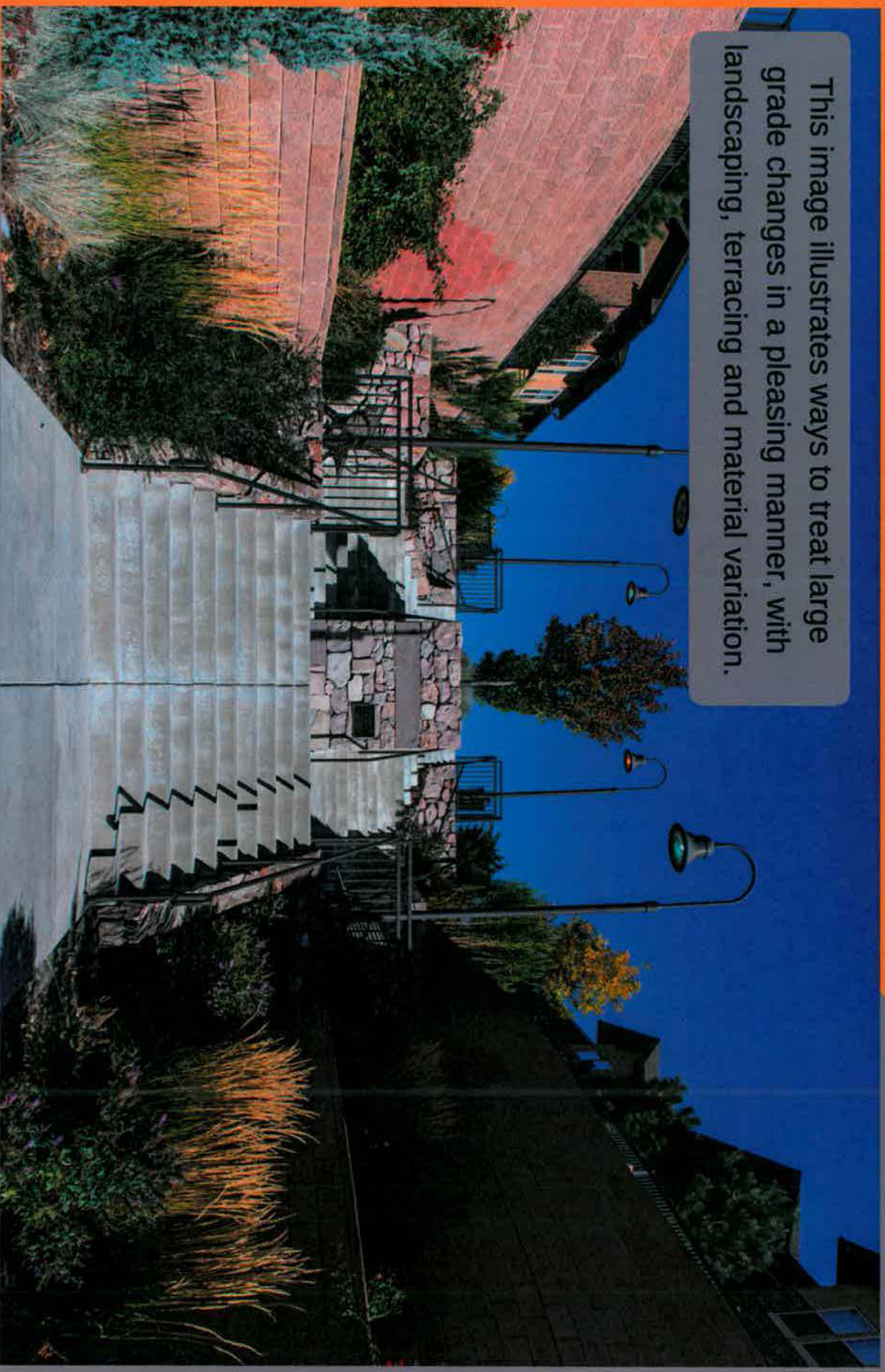
GRADING & RETAINING WALLS

This is an example of a wall design that is attractive and pedestrian-friendly, while accommodating a larger grade change.



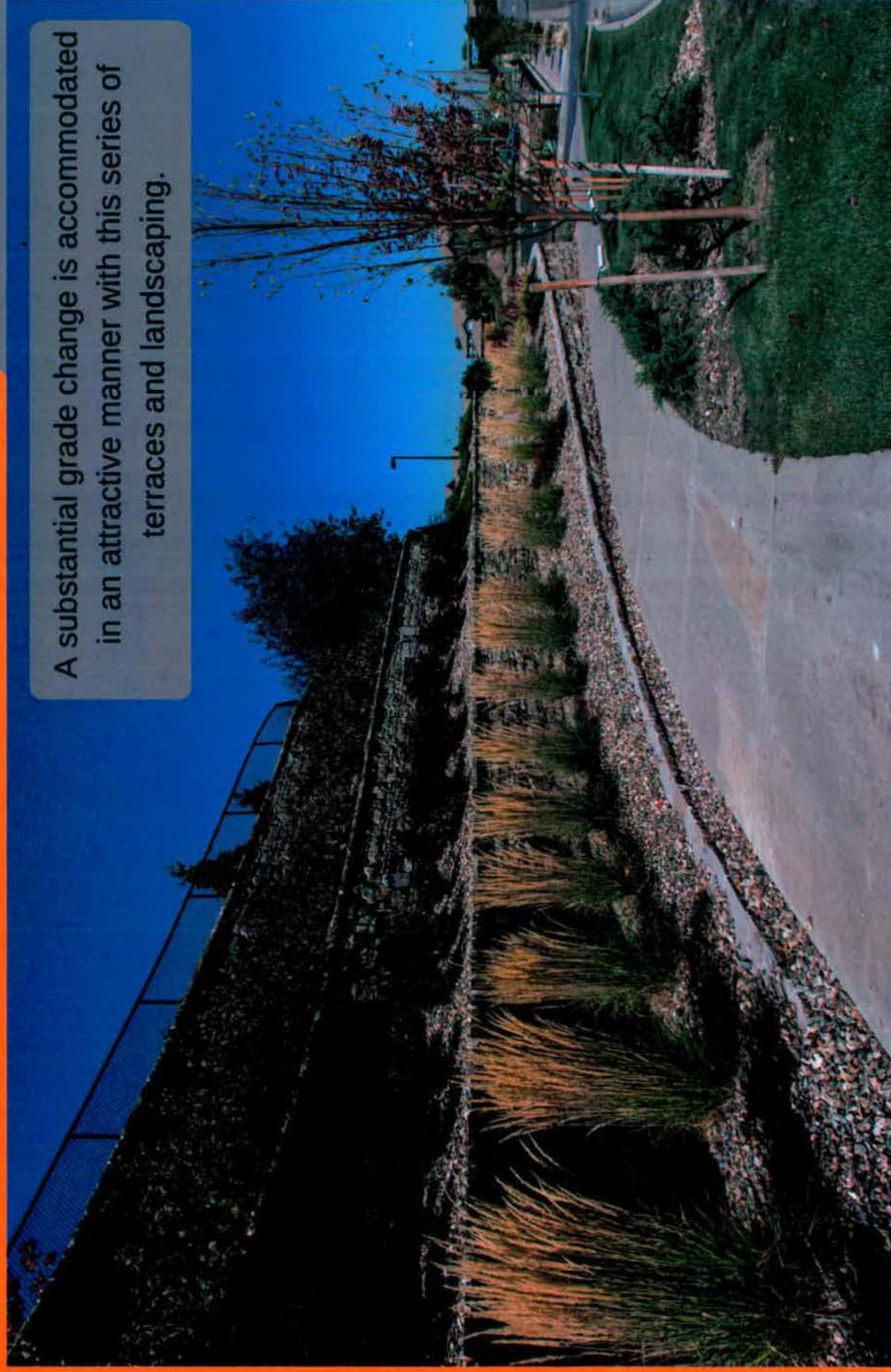
GRADING & RETAINING WALLS

This image illustrates ways to treat large grade changes in a pleasing manner, with landscaping, terracing and material variation.



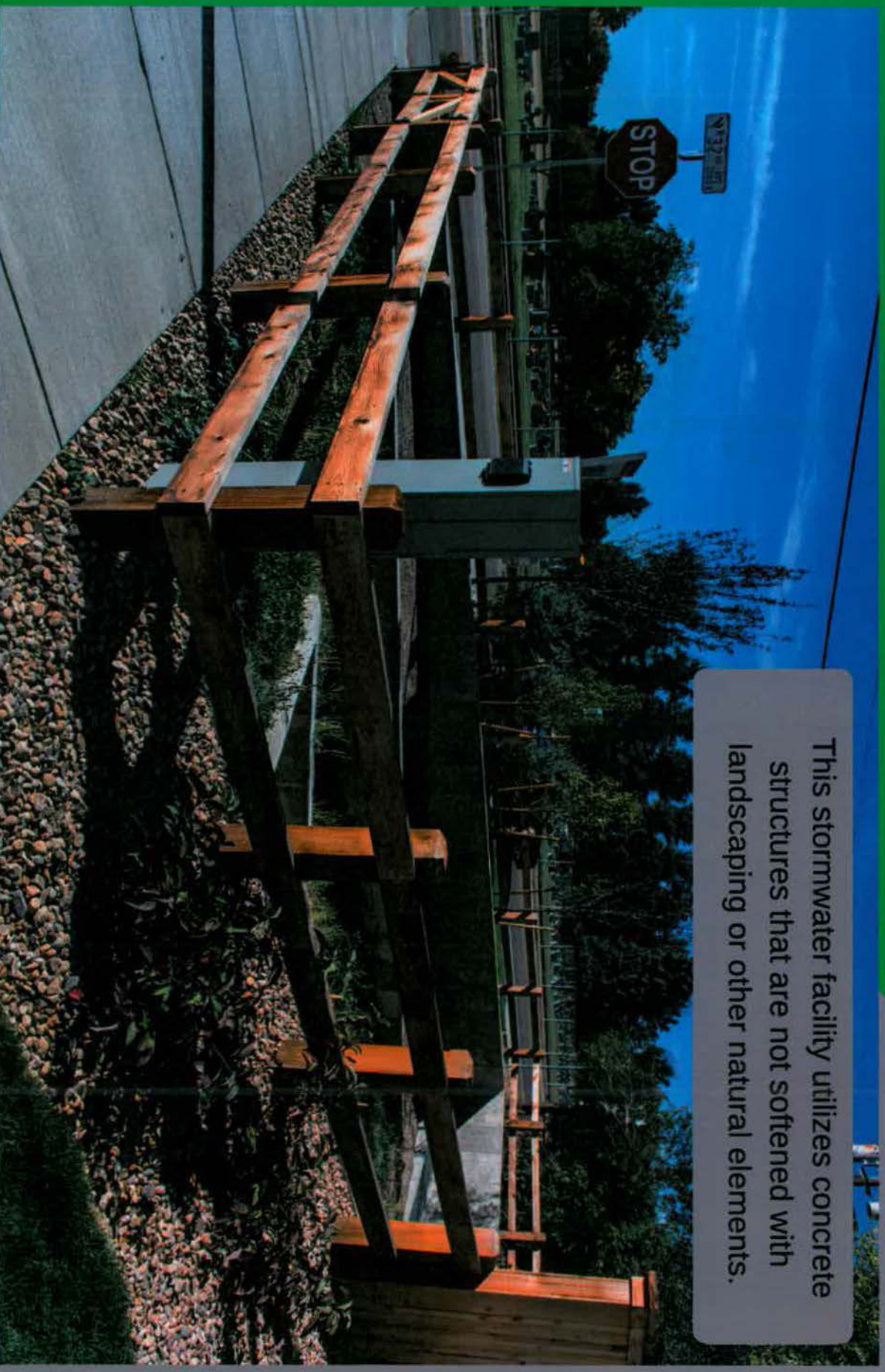
GRADING & RETAINING WALLS

A substantial grade change is accommodated in an attractive manner with this series of terraces and landscaping.



GRADING & RETAINING WALLS

This stormwater facility utilizes concrete structures that are not softened with landscaping or other natural elements.



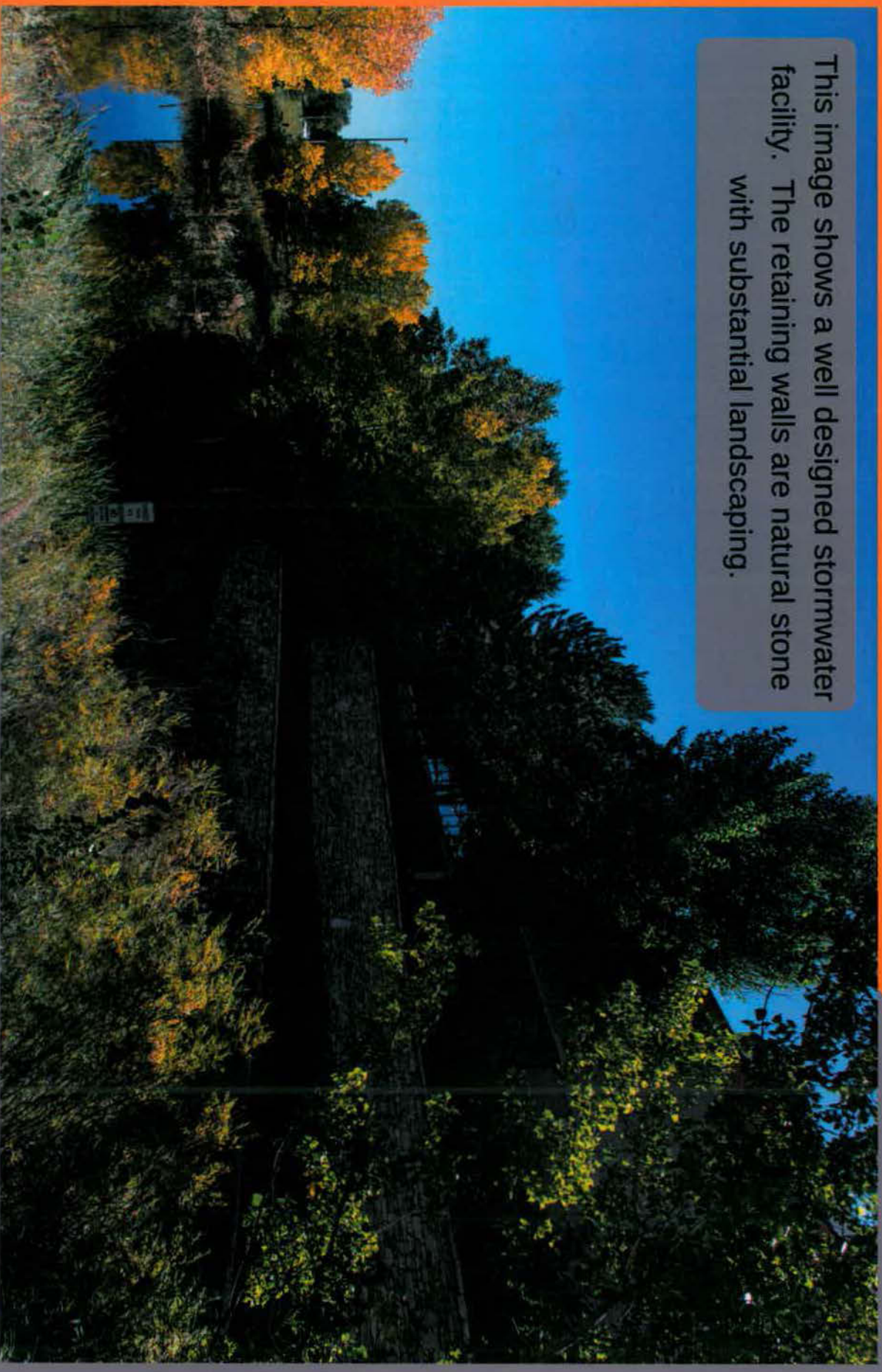
STORMWATER FACILITIES

This stormwater facility is not an enhancement to the area, with its minimal landscaping or other elements to soften its impact.



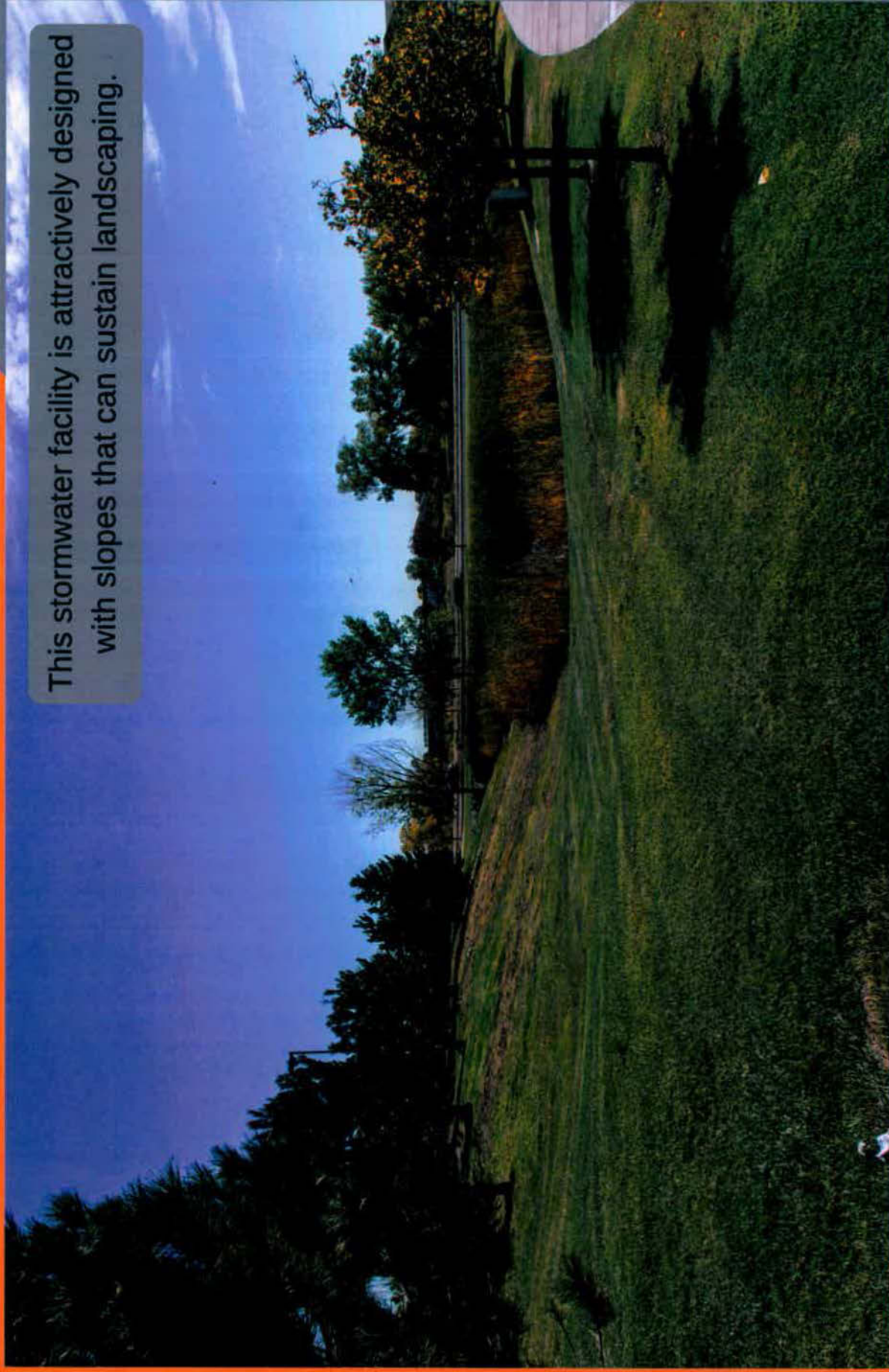
STORMWATER FACILITIES

This image shows a well designed stormwater facility. The retaining walls are natural stone with substantial landscaping.



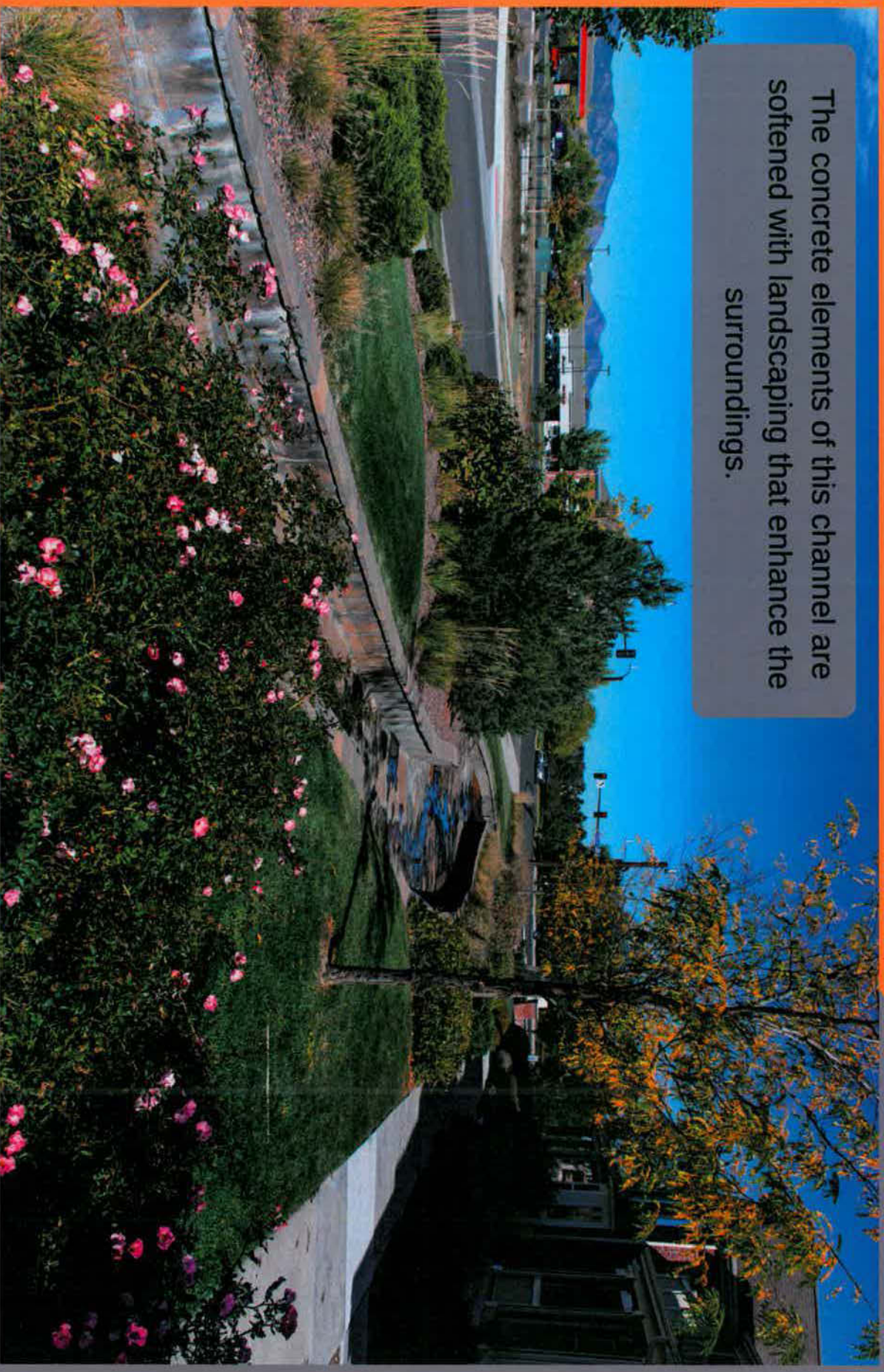
GRADING & RETAINING WALLS

This stormwater facility is attractively designed with slopes that can sustain landscaping.



STORMWATER FACILITIES

The concrete elements of this channel are softened with landscaping that enhance the surroundings.



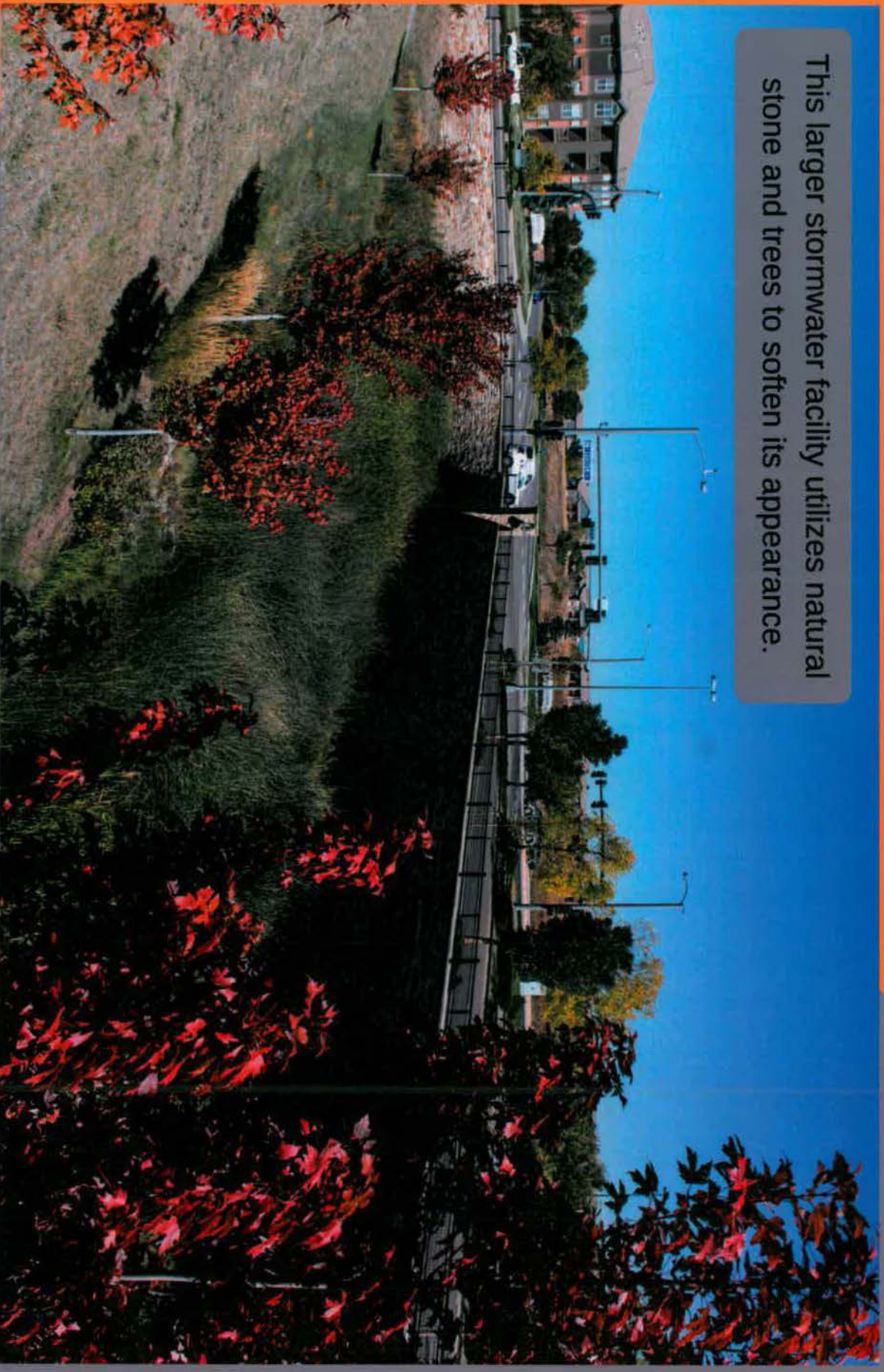
STORMWATER FACILITIES

The use of boulders and landscaping result in a stormwater facility that is an aesthetic improvement to the area.



STORMWATER FACILITIES

This larger stormwater facility utilizes natural stone and trees to soften its appearance.



STORMWATER FACILITIES

This image shows a creative solution for stormwater requirements by using a permeable paver system.

STORMWATER FACILITIES

Current Provisions

Article 11, Mixed Use Districts:

Section 26-1110. Open Space Requirements

- Restricts that land with a slope steeper than 3:1 shall not be considered usable open space
- Allows drainage ways, ponds, and other areas required for stormwater quality or detention to qualify as usable open space if such areas are designed for passive or active use and are landscaped with grass, shrubs, and/or trees.
- Exempts Mixed Use Districts from Section 26-502 (Landscaping requirements)

Article 4, Subdivision:

Section 26-411. Subdivision design

- Stormwater, drainage and floodplains
 - Requires that drainage, wetland, and floodplain areas shall be preserved in their natural state. No encroachments shall be made on existing channels to preserve the natural and beneficial functions, but where they are encroached upon, acceptable mitigation shall be provided.
 - Requires that any subdivision must allow continued historic flow of waters, and provide drainage easements and stormwater facilities for proposed and actual on- and off-site runoff.
- Slope
 - Restricts steep land (10% slope or greater), unstable land and areas, and areas having inadequate drainage from being subdivided unless acceptable provisions are made by a registered engineer. These areas may be included as part of a lot or lots where there are appropriate building areas elsewhere.

Section 26-412. Street design

- Grade and topography.
 - Requires that streets be designed to bear a reasonable relationship to the topography of the land to the maximum extent feasible
 - Restricts that the maximum grade by street classification shall not be exceeded; maximum grade is determined by the public works department.

Article 5, Landscaping:

Section 26-502. Landscaping requirements

- The definition of landscaping includes, in addition to living plant materials, natural features such as rock, stone, bark and structural features including, but not limited to, fountains, reflecting pools, art work, screen walls, fences and benches.

Article 6, Supplementary Regulations

Section 26-603. Fences, walls and obstructions to view

- Divisional fences and divisional walls are permitted in any zone district
 - Divisional fences and walls allowed up to 6 feet tall, and subject to sight distance triangle requirements.

Proposed Standards

Stormwater Facilities

- A. *Principle.* Stormwater facilities should be integrated into site development and be designed to enhance the development through the use of materials and landscaping that complement the surroundings, or through innovative or low impact development approaches.
- B. *Applicability.*
 - 1. All site development that requires stormwater facilities, as determined by the Public Works Director.
 - 2. Modification or expansion of existing stormwater facilities by more than 15%
- C. *Design.*
 - 1. Design and maintain all stormwater facilities in accordance with the current City of Wheat Ridge Site Drainage Requirements.
 - 2. The top edge of slopes and embankments should be landscaped with groupings of naturalized trees and shrubs. Plantings should be located to allow maintenance access where needed.
 - 3. Trees and shrubs may be planted above the 5-year stormwater surface elevation. Below the 5-year surface elevation, plant material is limited to wetland plantings, grasses or other groundcovers. The bottoms of detention ponds may be planted with a mixture of grasses or other wetland plants that are suited to periodic flooding, facility maintenance, and that serve to enhance water quality.
 - 4. Rocks and/or landscaping should be utilized to soften the appearance of concrete structures. Structures for stormwater facilities shall be aesthetically pleasing and natural in form where visible from a public street or public space.
 - 5. Side slopes of stormwater facilities should be gradual, and generally limited to 4:1 or less.

Site Grading and Retaining Walls

- A. *Principle.* Respect the existing topography with grading designs that are sensitive to existing landforms and the surrounding properties.
- B. *Applicability.*
 - 1. Site development, as defined in Sec. 26-123.
 - 2. Modification of existing walls or site grading.
- C. *Design.*
 - 1. Walls and elevation changes adjacent to public spaces shall be designed to maintain a pedestrian scaled streetscape with the use of terraces, landscaping and material variation.
 - 2. All retaining walls over 48" in height must be built per the requirements of all adopted codes.
 - 3. Grades of 4:1 or less are encouraged; slopes steeper than 3:1 are not permitted.

4. Transition grades should be rolling rather than one continuous straight line.
5. Site grading designs shall not adversely impact adjacent property and/or public right-of-way.
6. Landscaping should be provided in combination with retaining walls to soften their appearance.
7. Planting areas on terraces between walls shall be of sufficient width to support vegetation and root systems.
8. Site grading shall anticipate future development and integration of adjacent property and/or public right-of-way.