



## REPORT FOR ACTION

### Cask Force – Zoning By-law Amendments for Breweries and Related Uses

**Date:** June 10, 2019  
**To:** Planning and Housing Committee  
**From:** Chief Planner and Executive Director, City Planning  
**Ward:** All

#### SUMMARY

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The number of local breweries in Toronto has increased considerably over the last decade to become an important part of the City's economic and cultural identity. In 2015, City Council requested that staff work with owners and operators of craft breweries to help grow the craft beer sector and make Toronto "the craft beer capital of the world". In 2017 City Council requested that staff consider amendments to the Zoning By-law permissions for breweries, restaurants, and related uses to help support and grow the craft brewery industry, and that staff hold consultations on these amendments.

This report responds to the 2017 request from City Council and summarizes proposed zoning by-law amendments related to eating establishments, retail stores, and beverage manufacturing uses in the City's Commercial and Employment Industrial zones. The proposed amendments are based on previous consultation with the City's Craft Beer Industry, as well as public consultation, and are intended to better reflect the varied and contemporary operating nature of the City's many local breweries.

#### RECOMMENDATIONS

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The Chief Planner and Executive Director, City Planning recommends that:

1. City Council amend Zoning By-law 569-2013, as amended, substantially in accordance with the draft Zoning By-law Amendment appended as Attachment 1 to this report;
2. City Council amend Zoning By-law 438-86 as amended, substantially in accordance with the draft Zoning By-law Amendment appended as Attachment 2 to this report; and,
3. City Council authorize the City Solicitor to make such stylistic and technical changes to the draft Official Plan Amendment and Draft Zoning By-law Amendment as may be required.

## **FINANCIAL IMPACT**

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The recommendations in this report have no financial impact.

## **DECISION HISTORY**

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On May 5, 6 and 7, 2015, City Council adopted the recommendations of the Economic Development Committee to request the General Manager, Economic Development and Culture, in consultation with representatives from the Culinary Tourism Working Group, small scale craft breweries, and craft beer bars and restaurants, to work with City staff to help grow the craft beer sector and make Toronto the craft beer capital of the world.

Item ED3.11:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.ED3.11>

On May 31, 2017, Planning and Growth Management Committee adopted Item PG21.16 which requested the Chief Planner and Executive Director host a community consultation meeting on recommended changes to the Zoning By-laws 438-86 as amended and 569-2013 related to craft breweries, brew pubs, and similar uses to clarify and facilitate the use and to report back to the Planning and Growth Management Committee in 2017 on recommended changes to the Zoning By-laws.

Item PG21.16:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.PG21.16>

## **ISSUE BACKGROUND**

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### **Craft Breweries and the Zoning By-law**

The increase in the number of local breweries in Toronto over the past 10-15 years has coincided with the significant growth the City has experienced over that time, as well as a shift in the business and consumer habits related to beer consumption, including the "buy-local" movement. Toronto's growing local brewery industry varies significantly in terms of size, function, and location across the City. Some operations produce beer to support an on-site restaurant, while others operate a retail store to sell beer produced on site, and still others have both an associated eating establishment (restaurant) and retail store.

The City's Zoning By-law 569-2013 permits and regulates beverage manufacturing, eating establishments and retail stores, among other uses, and generally permits the range of craft brewery operations found in the city. Former Toronto Zoning By-law 438-86 also generally permits these uses. However, the increasingly diverse and new operating and business models of these local breweries has created issues of inconsistent interpretation in the various zoning by-laws with respect to breweries and their related uses. This resulted in uncertainty and confusion for the industry, the community, and the City in review of applications for new, and/or expanding local brewing establishments. This report recommends amendments to the City's Zoning By-law 569-2013 and 438-86, to better align by-law provisions with the variety of local breweries in the City.

## **Origin of Cask Force**

In 2015, following City Council's May 5, 6 and 7, 2015 request to staff, an interdivisional group of City staff from City Planning, Toronto Building, Economic Development and Culture, Municipal Licensing and Standards, the office of Councillor Layton, and industry representatives from Toronto's many craft breweries was convened and dubbed Cask Force. The group has since met generally once a year to discuss ways the City can promote Toronto's Craft Beer industry and help create a supportive regulatory environment for the industry. The dialogue between staff and the industry has been positive and productive. The contents of this report were informed in large part by the many discussions with members of the local brewing industry over a period of several years.

## **Zoning Interpretation of Breweries in Various Zones**

Varied interpretations have been made with respect to breweries and related uses across the City. However, the enactment of the City-wide zoning By-law assisted in resolving some of these differences. To further clarify the intent of the Zoning By-law related to these uses, the Toronto Building Division issued directions in May 2016 to clarify how beer production and related uses would be interpreted. This document identified four scenarios for how beer production and supporting uses would be interpreted:

- 1) Beer production facilities as a principal use (manufacturing)
- 2) Beer production facilities associated with the principal use (brew-pubs)
- 3) Beer production facilities (manufacturing) with ancillary uses (bottle shops and/or restaurants/tasting rooms)
- 4) Beer production facilities as a principal use in combination with other principal uses

The directions have assisted in ensuring a harmonized interpretation process and clarity for the existing industry and those looking to operate in the city. Since the issuance of the Building Division document, there have been more consistent interpretations and fewer minor variance requests for use permissions related to breweries and similar uses. Ongoing consultation with the industry and Toronto Building Staff identified additional areas where Zoning By-law amendments would be more effective than changes in interpretation of existing provisions in achieving the objectives of Cask Force.

## **Summary of Proposed Zoning By-law Amendments**

Today's brewing industry operates differently from the typical industrial scale breweries in existence when the City's pre-amalgamation Zoning By-laws were originally drafted. The proposed amendments to Zoning By-law 569-2013 and 438-86 detailed in this report seek to recognize the newer operating models.

City-initiated Zoning By-law Amendments propose to amend Zoning By-laws 569-2013 (Attachment 1) and 438-86 (Attachment 2) as follows:

- amending existing permissions for eating establishments in the Employment Light (EL), Employment (E) and Employment Office (EO) zones in By-law 569-2013 and IC, I2, I3 Districts in By-law 438-86, to provide consistent permissions for an eating establishment up to a maximum size of 500 square metres;
- permitting outdoor patios in association with eating establishments in the EL and E zones in By-law 569-2013, subject to the same size limitations prescribed in the EO zone;
- permitting retail stores with on-site beverage production with a maximum total floor area of 400 square metres in the Commercial Residential (CR) and Commercial Residential Employment (CRE) zones in By-law 569-2013 and MCR, CR and RA districts in By-law 438-86;
- exempting beverage manufacturing for beer production and areas associated with beverage manufacturing for beer from eating establishment floor area limits established through area specific Zoning By-law amendments in Zoning By-law 569-2013 and certain area-specific exceptions in Section 12(2) of By-law 438-86;
- removal of requirements for a partition wall between retail store and eating establishment uses in combination with a manufacturing use in By-law 569-2013; and
- amending definitions in By-law 438-86 to be more consistent with By-law 569-2013 with respect to restaurants and uses related to brewing.

While beverage manufacturing uses are currently permitted in the EH Zones in By-law 569-2013, eating establishment and retail store uses are not. No By-law amendments are proposed in EH Zones. Similarly, eating establishment and retail store uses are not permitted in the heaviest of the industrial districts, I4, in Zoning By-law 438-86.

## **Consultation Strategy**

The City consulted with the local brewery industry, the public, and other interested stakeholders, including Business Improvement Areas, in preparation of the proposed amendments and the contents of this report. Information on the proposed Cask Force Zoning By-law Amendments and community consultation meetings is posted on the City's website at [www.toronto.ca/caskforce](http://www.toronto.ca/caskforce)

## **Cask Force Introductory Meeting – July 6, 2015**

The first meeting of Cask Force occurred on July 6, 2015. This introductory meeting included discussion of the original Council direction and was intended to establish the objectives of the group and a plan for next steps.

The majority of the meeting was spent discussing the industry's interaction with the City, whether through Minor Variance or Building Permit applications, and for seeking out sites with suitable zoning to establish a new brewery. Several attendees commented on

the inconsistency in the City's By-laws and licencing framework relative to the use of breweries and related spaces such as tap rooms and brewing premises, as well as inconsistent interpretations of requirements by staff in different areas of the City.

Based on the discussion at this meeting, the City began a review of Zoning By-law permissions for breweries in different zones. As part of that review and in an effort to better understand the nature of breweries in the City, a questionnaire was sent to industry representatives.

### **Cask Force Meeting 2 – May 17, 2016**

The next Cask Force meeting was held on May 17, 2016. At this meeting the group discussed the results of the questionnaire, changes made within the City to coordinate consistent Zoning By-law interpretations across the City regarding breweries, and discussion of some potential changes to the Zoning By-laws.

### **Cask Force Meeting 3 – October 24, 2017**

City staff presented a recommended framework for amendments to the Zoning By-laws incorporating staff review and comments from previous Cask Force meetings. The City also presented a summary of information about City breweries from their internal review.

The group was generally supportive of the proposed Zoning By-law changes but raised a number of areas where it was felt that further analysis was needed. Further clarity around permissions for retail spaces on main streets with on-site brewing, patios in industrial zones, and parking requirements were requested, among other comments.

### **Cask Force Meeting 4 – April 25, 2019**

At this meeting City staff presented revised amendments to the Zoning By-law incorporating comments from previous Cask Force meetings, notably the proposed change to permit beer production space within a retail store in the CR and CRE zones. The group was advised of the public consultation dates scheduled for May 2019. The group also discussed permission for patios adjacent to breweries in employment-industrial zones and asked for clarification on the circumstances where dogs would be allowed on patios, among other Public Health matters.

The meeting was also an opportunity to discuss the role of Cask Force going forward. Staff from Economic Development and Culture, City Planning, Toronto Building, and Municipal Licensing and Standards were in attendance.

### **Cask Force Brewery Questionnaire**

To inform City Planning Staff's recommended Zoning By-law amendments related to breweries, the Cask Force Brewery Questionnaire was circulated to industry representatives in the second half of 2015. Respondents included Bellwoods Brewery,

Henderson Brewing Co, Indie Ale House Brewing Co, Lansdowne Brewery, Halo Brewery, Left Field Brewery and Steam Whistle Brewery.

The results of the questionnaire reinforced comments made by the industry in discussions with the City during the Cask Force meetings, and are summarized as follows:

- In addition to space for beer production and storage, locations often include some combination of: a restaurant, tasting room, bottle shop, private event space; outdoor patio.
- Beer production area, as a percentage of overall floor area, varies widely, with some locations using more than 75% of their overall floor area for brewing, bottling and storage purposes, while other locations used less than 25%
- Locations with retail spaces or bottle shops had, on average, slightly more than 10% of their overall floor area dedicated to these spaces.
- Some breweries have on-site parking while others rely on street parking and public parking.
- Due to the variation in scale of each operation, some locations employ as few as 5 people while several locations employ more than 30; and,
- Hours of operation vary significantly across different locations. Later hours usually correspond with a retail store and/or eating establishment being a part of the operation.

The survey also included space for respondents to explain their operations, comment on future plans, and detail challenges experienced to date. At the time of the questionnaire some respondents were considering expansion plans in the form of renovations, second locations, or additional production space. Several respondents went into detail on their business objectives, as well as their desire to see the industry grow and become more accessible and dynamic within the City.

### **City Review of Permit Activity**

To inform the understanding of the way the City currently regulates beer production and supplement the information provided by industry representatives, City Planning staff undertook a review of building permit and Committee of Adjustment applications for existing and proposed breweries. Applications to establish breweries have been received in many areas of the City, however, the highest concentration of such applications is found in south and west parts of the former City of Toronto.

Of the approximately 50 existing breweries in Toronto, almost all of these have established themselves since 2008. In addition to building permit applications, some required Committee of Adjustment applications. About half of the existing breweries are located within mixed use commercial zones on the City's main streets, usually operating

as part of an eating establishment (brew-pub). The other half are located in employment industrial zones, generally operating as a manufacturing use with associated uses such as bottle shops and tap rooms.

The industry questionnaire and the City's review of applications concluded that there is wide variation in the operational approach of each business, and that proposed changes to the Zoning By-law should support this variety and allow greater flexibility in the use of these spaces.

### **Community Consultation Meetings**

The City held two community consultation meetings to discuss the proposed Zoning By-law Amendments on the evening of May 29, 2019 and during the afternoon of May 30, 2019. The first meeting was held at Henderson Brewing Company and the second was scheduled over five hours at the Ontario Investment and Trade Centre. City Staff from City Planning, Economic Development, and Municipal Licensing and Standards were in attendance at both meetings. Attendance over both events was approximately 50 people, the majority of whom were directly involved in the local beer production industry or were exploring options to open up an establishment. Several residents from areas where local breweries are located were also in attendance. Comments from those in attendance at these meetings has informed the recommendations of this report and includes the following:

- Overall support for the proposed amendments.
- Questions about the City's proposed approach to amending the former City of Toronto By-law 438-86 was raised.
- It was requested that the By-law amendments consider the use of a 'tap room' as being distinct from an 'eating establishment' use in Employment Zones to allow Municipal Licensing and Standards staff to regulate the use appropriately.
- There was general support for the expansion of permissions for patios as part of eating establishments associated with beer production in Employment Zones.
- It was suggested that patios be permitted accessory to tap rooms, similar to permission for eating establishments in E zones.
- It was requested that patios in E, EL and EO zones be permitted to host events and live music.
- The potential incompatibility of restaurant, tap room, and patio uses with heavier industrial uses, specifically in the Leaside area, was raised.
- It was noted that the City was not going far enough with the proposed amendments and should be more permissive of brewery uses in industrial areas.
- The Ontario Minister of Economic Development, Job Creation and Trade attended the May 30<sup>th</sup> session and indicated support for the proposed amendments.

### **Provincial Policies**

The following policies and documents were considered in the drafting of this report.

## **The Planning Act**

Section 2 of the Planning Act sets out matters of provincial interest which City Council shall have regard to in carrying out its responsibilities, including: the orderly development of safe and healthy communities; the appropriate location of growth and development; the adequate provision and distribution of educational, health, social, cultural and recreational facilities; the protection of the financial and economic well-being of the Province and its municipalities; and the adequate provision of employment opportunities.

## **The Provincial Policy Statement (2014)**

Provincial Policy Statements and geographically specific Provincial Plans, along with municipal Official Plans, provide a policy framework for planning and development in the Province. This framework is implemented through a range of land use controls such as zoning by-laws, plans of subdivision and site plans.

The Provincial Policy Statement (2014) (the "PPS") provides policy direction province-wide on land use planning and development to promote strong communities, a strong economy, and a clean and healthy environment. It includes policies on key issues that affect communities, such as:

- The efficient and wise use and management of land and infrastructure over the long term in order to minimize impacts on air, water and other resources;
- Protection of the natural and built environment;
- The provision of an appropriate mix and range of employment uses to support a diversified economic base and a wide range of economic activities and ancillary uses to meet long term needs;
- Building strong, sustainable and resilient communities that enhance health and social well-being by ensuring a mix of opportunities exist locally for employment;
- Promoting a mix of housing; recreation, parks and open space; and transportation choices that increase the use of active transportation and transit;
- Providing opportunities for sustainable tourism development;
- Supporting local food, and promoting the sustainability of agri-food and agri-product businesses, while minimizing land use conflicts;
- Encouraging a sense of place in communities, by promoting well-designed built form and by conserving features that help define local character; and
- Conserving significant built heritage resources and significant cultural heritage landscapes.

The provincial policy-led planning system recognizes and addresses the complex inter-relationships among environmental, economic and social factors in land use planning. The PPS supports a comprehensive, integrated and long-term approach to planning, and recognizes linkages among policy areas.

The PPS is issued under Section 3 of the [Planning Act](#) and all decisions of Council in respect of the exercise of any authority that affects a planning matter shall be consistent with the PPS. Comments, submissions or advice affecting a planning matter that are provided by Council shall also be consistent with the PPS.



The PPS is more than a set of individual policies. It is to be read in its entirety and the relevant policies are to be applied to each situation.

The PPS recognizes and acknowledges the Official Plan as the most important document for implementing the policies within the PPS, and states that "Comprehensive, integrated and long-term planning is best achieved through official plans." (Policy 4.7)

### **A Place to Grow: Growth Plan for the Greater Golden Horseshoe (2019)**

A Place to Grow: Growth Plan for the Greater Golden Horseshoe (2019) (the "Growth Plan (2019)") came into effect on May 16, 2019. This new plan replaces the previous Growth Plan for the Greater Golden Horseshoe, 2017. The Growth Plan (2019) continues to provide a strategic framework for managing growth and environmental protection in the Greater Golden Horseshoe region, of which the City forms an integral part. The Growth Plan, 2019 establishes policies that require implementation through a Municipal Comprehensive Review (MCR), which is a requirement pursuant to Section 26 of the Planning Act that comprehensively applies the policies and schedules of the Growth Plan (2019), including the establishment of minimum density targets for and the delineation of strategic growth areas, the conversion of provincially significant employment zones, and others.

Policies not expressly linked to a MCR can be applied as part of the review process for development applications, in advance of the next MCR. These policies include:

- Directing municipalities to make more efficient use of land, resources and infrastructure to reduce sprawl, contribute to environmental sustainability and provide for a more compact built form and a vibrant public realm;
- Directing municipalities to engage in an integrated approach to infrastructure planning and investment optimization as part of the land use planning process;
- Achieving complete communities with access to a diverse range of housing options, protected employment zones, public service facilities, recreation and green space that better connect transit to where people live and work;
- Retaining viable lands designated as employment areas and ensuring redevelopment of lands outside of employment areas retain space for jobs to be accommodated on site;
- Minimizing the negative impacts of climate change by undertaking stormwater management planning that assesses the impacts of extreme weather events and incorporates green infrastructure; and
- Recognizing the importance of watershed planning for the protection of the quality and quantity of water and hydrologic features and areas.

The Growth Plan (2019) builds upon the policy foundation provided by the PPS and provides more specific land use planning policies to address issues facing the GGH region. The policies of the Growth Plan (2019) take precedence over the policies of the PPS to the extent of any conflict, except where the relevant legislation provides otherwise.

In accordance with Section 3 of the Planning Act all decisions of Council in respect of the exercise of any authority that affects a planning matter shall conform with the Growth Plan. Comments, submissions or advice affecting a planning matter that are provided by Council shall also conform with the Growth Plan.

The Growth Plan (2019) contains policies pertaining to provincially significant employment zones (PSEZs). PSEZs are areas defined by the Minister of Municipal Affairs and Housing for the purpose of long-term planning for job creation and economic development. The conversion of PSEZs can only occur during a municipally-initiated MCR.

## **Municipal Planning Framework**

### **Toronto Official Plan**

The Zoning By-law amendments considered in this report concern various Commercial and Employment Industrial Zones. These zones are typically located in areas that correspond to the Downtown, Centres, Avenues, and Employment Areas as shown on Official Plan Map 2 – Urban Structure, and Mixed Use Areas, Regeneration Areas, and Employment Areas as shown on Maps 13-23 of the City's Official Plan. The Plan also contains policies regarding Toronto's Economic Health and Cultural Resiliency.

The Official Plan is intended to be read as a comprehensive and cohesive whole. The Official Plan is available here: <https://www.toronto.ca/city-government/planning-development/official-plan-guidelines/official-plan>

### **Employment Areas**

Employment Areas (2.2.4) are intended exclusively for economic activity and protected from the encroachment of non-economic functions. They help maintain and grow the City's tax base and dynamic economy, provide a range of employment opportunities, and are intended to help achieve a balance in the population and employment growth.

Employment Areas (4.6) are where the City grows its enterprises and jobs, and recognizes that businesses increasingly require flexibility to compete effectively in the global economy. In addition to uses that support the prime economic function of Employment Areas, uses such as parks, small scale retail stores, services and restaurants that serve the daily needs of businesses and employees are also permitted in Employment Areas. Uses that detract from the economic function of these lands will not be permitted to locate in Employment Areas.

### **Toronto's Economic Health (3.5)**

Toronto's diverse economy has been our strength over many years. It has helped the City weather economic downturns and has been the source of opportunities for the incubation of new enterprises. This strong economic base has provided a wealth of opportunity for the City's growing labour force and has been a factor in attracting new residents from elsewhere in Canada and from around the world. Increasing global

connectivity of key firms and clusters, along with new economic opportunities and connections brought to Toronto by immigrants from around the world, mean that Toronto's economy is "plugged into" the rest of the world in ways hardly imaginable 30 years ago.

By moving away from specialized single use districts and emphasizing the mixing of urban activities, this Plan sets out flexible and adaptive policies to meet the changing economic conditions of the future and create a vibrant City.

### **Mixed Use Areas (4.5)**

The Mixed Use Areas designation permits a broad range of commercial, residential and institutional uses that meet the needs of the local community, while also providing a transition between areas of different development intensity and scale.

### **Regeneration Areas (4.7)**

A broad mix of commercial, residential, light industrial, parks and open space, institutional, live/work and utility uses are permitted within Regeneration Areas to promote reinvestment and revitalization. The framework for new development within Regeneration Areas is set out in a Secondary Plan intended to promote the desired type and form of physical development for an area.

### **Economic Development Strategy**

The City's Economic Development Strategy – Collaborating for Competitiveness - is intended to foster the creation of sustainable economic growth and job creation in order to improve the quality of life for all residents. Its goal is to advance the city's prosperity, opportunity and liveability by:

- working with businesses, residents, and a broad set of stakeholders to foster employment and investment growth;
- improving the City's finances by increasing assessment and generating new employment, thereby decreasing the need for social support payments and services; and
- ensuring that City policies, programs and activities create an attractive climate for business investment and job creation.

Collaborating for Competitiveness can be found at the following link:

<https://www.toronto.ca/legdocs/mmis/2013/ed/bgrd/backgroundfile-55511.pdf>

### **Agency Circulation**

City staff from City Planning, Toronto Building, Economic Development and Culture, Municipal Licensing and Standards, and City Legal, have reviewed this report.

## **DISCUSSION**

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### **The Planning Act**

The proposed amendments have been drafted in consideration of these matters of provincial interest. The proposed amendments provide a land use framework for the local brewery industry that is better aligned with the Industry's current, various business models and operating locations. The proposed Zoning By-law amendments support the appropriate location of growth and development, the financial and economic well-being of the Province and its municipalities, and the adequate provision of employment opportunities.

### **The Provincial Policy Statement (2014)**

Policy 1.3.1 states that planning authorities shall promote economic development and competitiveness by promoting an appropriate mix and range of employment uses, opportunities for a diversified economic base, a wide range of economic activities and ancillary uses.

Policy 4.8 requires that planning authorities shall keep their Zoning By-laws up-to-date with their Official Plans and the Provincial Policy Statement.

The proposed Zoning By-law amendments are consistent with the above policies and other relevant policies of the PPS. The amendments provide for economic growth and new employment opportunities to help support, grow and diversify the City's economic base. The proposed amendments implement the Official Plan's broader objectives of supporting a range of new employment uses in Employment Areas and vibrant mixed use main streets in Mixed Use Areas. The proposed Zoning By-law Amendments comply with the policies of the Provincial Policy Statement.

### **Growth Plan for the Greater Golden Horseshoe, 2019**

The Growth Plan for the Greater Golden Horseshoe (2019) (the "Growth Plan") provides a strategic framework for managing growth and environmental protection in the Greater Golden Horseshoe region, of which the City forms an integral part, including:

Section 1.2.1 provides flexibility to capitalize on new economic and employment opportunities as they emerge, while providing certainty for traditional industries.

Section 2.2.1.4. directs the achievement of complete communities that feature a diverse mix of land uses, including residential and employment uses and convenient access to local stores.

Section 2.2.5.1 directs that economic development and competitiveness be promoted by making more efficient use of employment areas, increasing employment densities, and integrating and aligning land use planning and economic development goals and strategies to retain and attract investment and employment.

The proposed amendments to the Zoning By-laws provide greater certainty for the local beer production industry, one of the City's traditional economic uses, by clarifying existing permissions for beverage manufacturing for beer production and related uses across the City while allowing flexibility to align with the variety of business models characteristic of the industry. The proposed amendments make efficient use of employment land and align the City's land use planning tools with its economic development objectives with the intent of supporting existing beverage manufacturing for beer production activates and encouraging growth and development within the industry. The proposed Zoning By-law amendments conform to the Growth Plan (2019).

## **Official Plan Policies**

### **Land Use**

The proposed uses comply with the numerous Official Plan policies found in Chapters 2 and 4 of the Plan regarding land use.

Policy 2.2.1.1 states that the Downtown will continue to evolve as a healthy and attractive place to live and work. Policy 2.2.1.2 directs that investment in the Downtown by the City, other levels of government and public/private partnerships will be sought to promote an environment of creativity and innovation for arts and culture and support and enhance the specialty retail and entertainment districts found Downtown.

Policy 2.2.2.1 states that Centres are a priority for the establishment of vibrant transit-supportive mixed use. Policy 2.2.2.2 directs that each Centre will create a positive climate for economic growth.

The preamble of Section 2.2.3 of the Plan identifies Avenues as important corridors along major streets where new housing and job opportunities are anticipated and encouraged.

Section 2.2.4 states that Employment Areas will provide a range of employment opportunities and permit a broad array of economic activity that encourages existing businesses to expand or diversify into new areas of activity.

Policy 4.5.2 directs that Mixed Use Areas will be characterized by high quality commercial, residential, institutional and open space uses that reduce automobile dependency and meet the needs of the local community while providing new jobs and homes for Toronto's growing population in the Downtown, the Central Waterfront, Centres, Avenues and other lands designated Mixed Use Areas.

Policy 4.6.1 directs that Employment Areas will develop as places of business and economic activity including uses such as: offices, manufacturing, distribution, small-scale retail uses ancillary to the preceding uses, and restaurants and small scale stores and services that serve area businesses and workers.

Policy 4.7.1 b) directs that Regeneration Areas will provide for a broad mix of commercial, residential, light industrial, parks and open space, institutional, live/work and utility uses in an urban form to create new jobs and homes that use existing roads, transit, sewers, social services and other infrastructure and create and sustain well-paid, stable, safe and fulfilling employment opportunities.

### **Land Use – Commercial Zones – Retail Stores**

The proposed amendments to the Commercial Residential (CR) and Commercial Residential Employment (CRE) zones in By-law 569-2013 and the CR, MCR and RA districts in By-law 438-86 include an important change of permitting retail stores with on-site beverage manufacturing for beer production up to a maximum floor area of 400 square metres.

Retail stores and beverage manufacturing are already permitted as part of eating establishments in CR and CRE Zones. This use would be similar to a bakery, where on-site production takes place within a retail store. The proposed size limit of 400 square metres is intended to ensure that beer production in these spaces remains compatible with the typical scale of uses found on commercial main streets. A use larger than 400 square metres would require a loading space and implies a more industrial -scale operation better suited to an Employment-industrial Zone. The proposed use, and the prescribed scale of the use, is consistent with the policies of the Official Plan regarding land use in the Mixed Use Areas and Regeneration Areas designations.

Cities including Ottawa, Hamilton, and Windsor have all recently amended their Zoning By-laws to allow this type of a use in commercial and mixed use zones, with similar size restrictions.

### **Land Use – Commercial Zones – Floor Area Calculation**

In many parts of the City, area-specific Zoning By-laws include eating establishment size restrictions which limit the overall area in which a restaurant can operate. Such restrictions are limiting to brewpubs that require floor space for both restaurant uses and brewing space. These By-law requirements can pose a challenge to those looking to establish and operate a craft brewery in the City. City Planning Staff are recommending that areas used for the beverage manufacturing of beer and associated areas, such as storage, offices, , staff rooms, and staff washrooms, be treated similar to food preparation areas in site and area specific By-laws, and be exempted from established restaurant floor area limits. This proposed change would apply where area-specific limitations on the size of restaurants exists in both By-law 569-2013 and 438-86, though this would mainly apply to Section 12(2)s of By-law 438-86.

### **Land Use - Employment Zones – Eating Establishments and Tap Rooms**

The EL, E, and EO zones in By-law 569-2013 already permit eating establishments subject to different criteria. The proposed amendments in these zones allow a consistent size of eating establishment or tap room operating as a stand-alone brewpub or as part of a beverage manufacturing use. In the E and EO zones, an eating

establishment is proposed to be permitted either stand-alone or as part of a manufacturing use, up to a maximum of 500 square metres. In the EL zone, an eating establishment was previously only permitted as part of a manufacturing use, and will now also be permitted as a stand-alone use subject to the same size restriction.

Tap rooms, as they are referred to by the industry, are areas where beer produced on site is sold for consumption on site. They are eating establishments for the purpose of interpreting the use in the Zoning By-law. Tap rooms typically do not include food preparation facilities, though pre-packaged food or food brought in from elsewhere may be served. Eating establishments may sell food and beverages for consumption on site and may include areas for on-site food preparation. Municipal Licencing and Standards may licence a tap room as an Eating or Drinking Establishment under the current Licensing Bylaw (Municipal Code Chapter 545). The distinction in the way these spaces is licensed was noted by both Cask Force members and during public consultation.

By-law 569-2013 currently allows retail stores as part of manufacturing uses, including beverage manufacturing uses, in E, EL, and EO Zones at up to 20% the total area of the manufacturing use. No changes are proposed with respect to retail stores.

The IC, I2 and I3 Districts in Zoning By-law 438-86 currently permits restaurants subject to similar size restrictions. Amendments are also proposed to align with those amendments to Zoning By-law 569-2013.

### **Land Use - Employment Zones – Patios**

In Employment-Industrial Zones the proposed amendments include allowing outdoor patios in association with eating establishments in all EL and E Zones in By-law 569-2013.

Prior to amalgamation, most of the former municipalities' Zoning By-laws permitted patios in industrial zones where restaurants were permitted. During the development of the Employment-Industrial zones found in By-law 569-2013, it was considered that outdoor patios were incompatible with industrial operations and the policies of the Official Plan for Employment Areas. By-law 569-2013 only permits patios in association with eating establishment uses in the EO zone subject to criteria regulating size and activities on the patio to limit impacts on adjacent uses. The EO zone currently permits patios provided they:

- are associated with a permitted use;
- within required building setbacks;
- do not occupy more than 20% of the front yard;
- are not located on land for required parking spaces;
- are not to be used for entertainment purposes;
- have a maximum area the greater of 30 square metres or 30% the area of the interior floor area; and,
- are set back 30 metres or 40 metres from residential zones if located on the ground floor or above the ground floor respectively.

In 2013, as part of the City's Municipal Comprehensive Review of the Official Plan, amendments to the Official Plan Employment Areas Policies (Official Plan Amendment 231) established new policies for both Core and General Employment Areas that support the inclusion of small-scale stand-alone and ancillary eating establishments, including an outdoor patio, provided the eating establishment and patio remain small-scale in nature.

City staff do not consider patios in association with eating establishments to be a 'sensitive use' in accordance with the Planning Act or the Ministry of Environment, Conservation, and Parks Guidelines.

Since 2013, the City has received many minor variance applications for patios in E Zones, as well as Industrial Zones in By-law 438-86, which, had they been included in By-law 569-2013, would be in the E or EL zone categories. These applications have typically been supported on the condition that the patios generally comply with the requirements for patios in the EO zone.

In the opinion of City Planning staff, patios related to eating establishments uses in the 'E' and 'EL' zone, when constructed generally in accordance with the requirements of the 'EO' zone, are compatible with the other uses in those zone categories, and comply with the Official Plan policies for Employment Areas. The proposed Zoning By-law amendments reflect this change. Zoning By-law 438-86 already permits patios in association with restaurants in industrial districts.

### **Land Use - Partition wall requirement for manufacturing uses with an ancillary uses**

Zoning by-law 569-2013 requires a floor-to-ceiling wall between a manufacturing use and a retail store or eating establishment to prevent public access. This is more restrictive than the Ontario Building Code (OBC) requirement, since the OBC does not require separation between brewery use and a retail store or eating establishment with fewer than 30 seats. Brewery operators find this to be overly prescriptive and costly. The ability for customers to view the brewing areas is also a feature of many brewing operations.

Staff are recommending that this requirement be removed. It should be noted that there may be other OBC requirements for separation that still apply depending on the nature of the manufacturing use, and the size and type of associated uses.

### **Economic Development Policies and Objectives**

The proposed zoning amendments are consistent with Official Plan policies and other City initiatives guiding the economic health and competitiveness of the City. By moving away from specialized single use districts and emphasizing the mixing of urban activities, the Official Plan sets out flexible and adaptive policies to meet the changing economic conditions of the future and create a vibrant City. The proposed amendments acknowledge and better align with the relatively new type of local beer production business models locating on the City's main streets and employment areas.



The recommendations of this report are informed by the City's Economic Development Strategy – Collaborating for Competitiveness. The Cask Force initiative has been informed through collaboration and communication with the local beer production industry. The objectives of Cask Force support the growth of the local brewery industry as both an employment generator and an increasingly significant part of the City's cultural and tourism identity. The proposed amendments and the ongoing work of the Cask Force are intended to ensure that City policies, programs and activities create an attractive climate for business investment and job creation in the local brewing industry.

### **Zoning Amendments to Zoning By-law 569-2013 and Zoning By-law 438-86**

The proposed amendments to By-law 569-2013 and 438-86 cover the majority of areas where local breweries exist in the City. While there are other By-laws that apply to portions of the City's employment areas, it is intended that By-law 569-2013 will apply to all land in the City in the future. At this time City Planning Staff are recommending amendments to Zoning By-laws 569-2013 and 438-86. This is consistent with the May 31, 2017, direction from Planning and Growth Management Committee.

While the proposed zoning by-law amendments originate from the work of the Cask Force, some of the changes go beyond beer. With respect to the new permission for a beverage manufacturing use as part of a retail store in commercial zones, the permission applies to beer, cider and wine. Staff are of the opinion that there is no distinction to be made in terms of land use impacts among these different types of beverages. Similarly, the proposed changes to the eating establishment and patio permissions in the employment-industrial zones apply to all eating establishments and retail stores equally, and not just those establishments associated with the manufacturing of beer.

Should an application for minor variances to the zoning by-laws be submitted for a local brewery use in an area not within By-laws 438-86 or 569-2013, City Planning staff will have regard for the contents of this report and the proposed Zoning By-law amendments when reviewing such applications.

### **Cask Force Next Steps**

While the proposed amendments discussed in this report are an important outcome of the Cask Force initiative, Cask Force meetings will continue to discuss other objectives of the City and the local brewery industry. Going forward the group intends to discuss a range of issues, including: inclusion of local brewers at City events where appropriate; promotion of the industry locally and abroad through the City's Economic Development and Culture Division, discussion on constraints in the Ontario Building Code with Toronto Building staff, and potential updates to the City's licensing framework with Municipal Licensing and Standards staff, among other matters. City staff members of the Cask Force will continue to be a resource for the industry to assist in navigating the processes and requirements at the City.

### **Conclusion**

The City's local brewery industry is an increasingly important part of Toronto's economic and cultural identity. By convening Cask Force in 2015, the City has worked with the

local brewery industry to better align City practices and requirements with the varied nature of this growing industry. Cask Force will continue to meet to discuss other challenges and opportunities facing the industry. The proposed Zoning By-law amendments represent incremental and strategic changes that are consistent with all relevant Provincial and City policies and objectives and represent good planning. The proposed amendments developed in collaboration with the local brewery industry, are intended to better reflect the varied and contemporary operating nature of the City's many local breweries.

## **CONTACT**

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## **SIGNATURE**

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Gregg Lintern, MCIP, RPP  
Chief Planner and Executive Director  
City Planning Division

## **ATTACHMENTS**

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Attachment 1: Draft By-law Amendment (Amending By-law 569-2013)  
Attachment 2: Draft By-law Amendment (Amending By-law 438-86)