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**File: Z-8703**  
**Planner: K. Killen**

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| <b>TO:</b>      | <b>CHAIR AND MEMBERS<br/>PLANNING &amp; ENVIRONMENT COMMITTEE</b>   |
| <b>FROM:</b>    | <b>JOHN M. FLEMING<br/>MANAGING DIRECTOR, PLANNING AND CITY PLANNER</b>   |
| <b>SUBJECT:</b> | <b>APPLICATION BY: THE CORPORATION OF THE CITY OF LONDON<br/>CITY WIDE AMENDMENTS<br/>PUBLIC PARTICIPATION MEETING ON<br/>MARCH 6, 2017</b> |

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| <b>RECOMMENDATION</b> |
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That, on the recommendation of the Managing Director, Planning and City Planner, the following actions be taken with respect to the application of the Corporation of the City of London, relating to the Zoning By-law review of artisanal uses in commercial and industrial areas in the City of London, the proposed by-law attached hereto as Appendix "A" **BE INTRODUCED** at the Municipal Council meeting on March 21, 2017 to amend Zoning By-law No. Z.-1, in conformity with the Official Plan, **TO:**

- i) Add the definition of "ARTISAN WORKSHOP" to Section 2 (Definitions);
- ii) Add the definition of "CRAFT BREWERY" to Section 2 (Definitions);
- iii) Amend the definition of "CUSTOM WORKSHOP" in Section 2 (Definitions) to include Artisan Workshop;
- iv) Add parking standards for "ARTISAN WORKSHOP" to Section 4.19 10) b) (Parking Standards Areas 2 and 3);
- v) Add parking standards for "CRAFT BREWERY" to Section 4.19 10) b) (Parking Standards Areas 2 and 3);
- vi) Amend Section 20 (Downtown Area (DA1) Zone variation), Section 20 (Downtown Area (DA2) Zone variation), Section 25 (Business District Commercial (BDC) Zone variation), Section 26 (Arterial Commercial (AC4) Zone variation), and Section 40 (Light Industrial (LI1) Zone variation) to add "ARTISAN WORKSHOP" and "CRAFT BREWERY" as a permitted use;
- vii) Add new regulations to Section 20 (Downtown Area (DA1) Zone variation), Section 20 (Downtown Area (DA2) Zone variation), Section 25 (Business District Commercial (BDC) Zone variation), and Section 26 (Arterial Commercial (AC4) Zone variation) to provide a gross floor area maximum for "ARTISAN WORKSHOP" and "CRAFT BREWERY" uses;
- viii) Add new regulations to Section 20 (Downtown Area (DA1) Zone variation), Section 20 (Downtown Area (DA2) Zone variation), Section 25 (Business District Commercial (BDC) Zone variation), and Section 26 (Arterial Commercial (AC4) Zone variation) to require a retail or restaurant use for "ARTISAN WORKSHOP" and "CRAFT BREWERY" uses located on the ground floor with street front access;
- ix) Add new regulations to Section 40 (Light Industrial (LI1) Zone variation) to provide a gross floor area maximum, parking rate, and access requirements to all ancillary uses to "ARTISAN WORKSHOP" and "CRAFT BREWERY" uses.

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| <b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b> |
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Consideration of City-initiated Amendments to the Z.-1 Zoning By-law – June 20, 2016

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**PURPOSE AND EFFECT OF RECOMMENDED ACTION**

The purpose and effect of the recommendation is to add two new definitions and associated regulations to Zoning By-law Z.-1 as well as modify an existing definition to accommodate small-scale manufacturing and food and beverage processing. New definitions for “Artisanal Workshop” and “Craft Brewery” would be added to Section 2 (Definitions), new parking standards would be added to Section 4 (Parking Standards Areas 2 and 3) and other associated regulations would be introduced to regulate the scale of these operations in DA1, DA2, BDC, AC4 zone variations and the scale of the ancillary uses within the and LI1 zone variation. The definition of “custom workshop” would be modified to include reference to the new “artisanal workshop” use for clarity.

**RATIONALE**

1. The recommended Zoning By-law amendment is consistent with, and will serve to implement the policies of the *Provincial Policy Statement, 2014*, which promotes economic development and competitiveness by providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses;
2. The recommended Zoning By-law amendment is consistent with, and will serve to implement the policies of the *City of London Official Plan* related to economic development initiatives, support for unique neighbourhoods, and the planned function of the individual land use designations which the new uses would be permitted in;
3. The recommended Zoning By-law amendment is consistent with, and will serve to implement the city-wide policies of *The London Plan* related to the revitalization of urban neighbourhoods and business areas and the promotion of a vibrant business environment that offers a wide range of economic opportunities as well as the planned function of the individual place types which the new uses would be permitted in;
4. The recommendation is consistent with the general intent of the Zoning By-law and provides for uses that are not currently provided for within the Zoning By-law.

**BACKGROUND**

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| <b>Date Application Accepted:</b> October 14, 2016  | <b>Agent:</b> The Corporation of the City of London |
| <b>REQUESTED ACTION:</b> Review policy regarding small-scale manufacturing and small-scale food and beverage processing in commercial and light industrial areas. |   |

**PLANNING HISTORY**

On March 11, 2016 a communication from Sarah Merritt, Executive Director of the Old East Village Development Corporation was received requesting “an amendment that would permit artisanal businesses to include a retail component to service street consumers with small scale production.”

On April 15, 2016 a communication from Jennifer Pastorius, Manager of the Old East Village Business Improvement Association was received requesting that the “Brewing on Premises use currently permitted in the BDC zone be amended to permit the above activities [micro-breweries, specialty food production/distribution, beverage distillery, and other forms of artistic and artisanal

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production] at the rear of buildings with street front retail on the Dundas Street Commercial Corridor in the Old East Village.”

A report was presented to the Planning and Environment Committee on June 20, 2016, which identified a list of recommended City-initiated Amendments to the Z.-1 Zoning By-law. This report identified the need to accommodate small-scale manufacturing and processing industries in traditionally commercial areas.

Recent Minor Variance applications have facilitated the operation of small-scale brewery establishments:

- January 8, 2016: A.013/16 – 1030 Elias Street – To permit a brewing on premises establishment. Permission to allow a brewing on premises establishment with 724m<sup>2</sup> (7,800 sq ft) of gross area for bottling and sales of beer for commercial use in place of a commercial establishment where individuals produce wine, beer or cider for personal use and consumption off the premises. To permit 45 parking spaces and to allow the said amount of parking spaces for all permitted uses under the current zoning by-law for a gross floor area of 231 3.6m<sup>2</sup> (24,903.4 sq ft). Permission to allow 66m<sup>2</sup> (710 sq ft) of retail sales of good permitted as an ancillary use to a “brewing on premises establishment for bottling and sales of beer for commercial use whereas 30m<sup>2</sup> (322 sq ft) is the maximum permitted. Permission to allow the ancillary retail use to be accessible from the east wall of the building whereas the ancillary retail use is required to be accessible from the front of the building.
- May 27, 2016: A.090/16 – 521 Burbrook Place – To permit a brewing establishment on premises. Permission to allow a brewing on premises establishment with 665.5m<sup>2</sup> of gross area for bottling and sales of beer for commercial use in place of a commercial establishment where individuals produce wine, beer or cider for personal use and consumption off the premises. To permit 7 parking spaces and to allow the said amount of parking spaces for all permitted uses under the current zoning by-law for a gross floor area of 950m<sup>2</sup>. Permission to allow 93m<sup>2</sup> of retail sales of goods permitted as an ancillary use to a “brewing on premises establishment” for bottling and sales of beer for commercial use whereas 30m<sup>2</sup> is the maximum permitted.

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| <b>SIGNIFICANT DEPARTMENT/AGENCY COMMENTS</b> |
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No significant department/agency comments were received.

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| <b>PUBLIC LIAISON:</b>   | On November 3, 2016, Notice of Application was circulated to contacts representing the Old East Village Business Improvement Association, Downtown London, Hyde Park Business Association, Hamilton Road Business Association, and the Old South Business Association. Notice of Application was also published in the <i>Public Notices and Bidding Opportunities</i> section of <i>The Londoner</i> on November 3, 2016. | Three replies were received |
| <b>Nature of Liaison:</b>  |  |                             |
| <p>The purpose and effect of this zoning change is to create new definitions and regulations for artisanal manufacturing and craft brewery operations and to permit these uses in specific commercial and industrial areas throughout the city. Possible change to Zoning By-law Z.-1 to amend Section 2 (Definitions) by adding new definitions for artisanal manufacturing and craft brewery operations and modifying existing definitions. Possible change to Zoning By-law Z.-1 to amend Downtown Area, Business District Commercial, Arterial Commercial and Light Industrial zones to add the new uses to the list of permitted uses and related regulations.</p>  |  |                             |
| <b>Responses:</b>  |  |                             |
| <p>The letter from Jennifer Pastorius, Manager of the Old East Village Business Improvement Association, indicates that the response represents a summary of comments received from property and business owners as well as community members. The response was largely in support of the Zoning By-law amendment. A series of questions were included in the letter and staff subsequently addressed these questions by phone.</p> <p>The letter received from Gavin Anderson requested consideration for his property to gain permission to operate an outdoor patio through this Zoning By-law amendment. Staff indicated that a review of the outdoor patio regulations did not fall within the purview of this Zoning By-law amendment. This request is site-specific and should be evaluated on its own merits with local consultation, rather than be included in a City-wide Zoning By-law amendment.</p> <p>An e-mail received from Kathy McLaughlin, Manager – MainStreet Program, representing Downtown London indicated support for the recommendation and acknowledgment that the gross floor area maximum works within their building context.</p> |  |                             |

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| <b>ANALYSIS</b> |
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**Nature of the Application**

Through feedback from the Old East Village (OEV) Development Corporation, the Old East Village Business Improvement Association (OEV BIA) and City staff’s recent interactions with small businesses, there is an identified trend toward the desire for small-scale manufacturing of goods as well as small-scale food and beverage processing, including craft breweries, and for these uses to locate within urban commercial areas, such as the downtown and Old East Village. The current policy framework does not consider the scale of these operations, only the use, and therefore interprets them as equal to their larger-scale counterparts which are directed to industrially designated lands. In response, the City of London has undertaken a review of the current policy framework to determine how small-scale “artisanal” uses can be better accommodated.

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In the absence of a definition to permit craft breweries, the approach of altering the definition of “Brewing on Premises Establishment” through a Minor Variance application has been used to facilitate craft brewery operations, most recently at 1030 Elias Street (A.013/16) and 521 Burbrook Place (A.090/16). However, this is not an ideal nor long-term solution considering the increasing demand for this type of use. A comprehensive solution is desirable both for businesses and for staff.

The communication received on April 15, 2016 from the OEV BIA requested staff to amend the definition of “Brewing on Premises Establishment” to accommodate “micro-breweries, specialty food production/distribution, beverage distillery and other forms of artistic and artisanal production.” The definition of “Brewing on Premises Establishment” reads as follows:

means a commercial establishment where individuals produce beer, wine and/or cider, for personal use and consumption off the premises; and where beer, wine and/or cider ingredients and materials are purchased, equipment and storage area is used for a fee by the same individuals.

Amending the definition of “Brewing on Premises Establishment” was considered by staff as requested by the OEV BIA, however several concerns were identified while reviewing this approach. The most notable concern was that the “Brewing on Premises Establishment” is a permitted use in a wide range of commercial zones and a more targeted approach to the location of “artisanal” uses was determined to be better suited for the introduction of such uses. The “Brewing on Premises Establishment” use itself was introduced in two phases. The second phase expanded the use to a number of additional zones after the impact of the use could be tested and assessed in more detail (Z-6265).

It was also determined the activities inherent within the proposed “artisanal” uses and the extent to which they differ from “Brewing on Premises Establishment” required two new definitions for clearer and easier implementation and to ensure that the original intent of the “Brewing on Premises Establishment” remained.

After this review, an alternative approach is recommended which would introduce two new definitions, one that would address the production of alcoholic beverages and one that would capture small-scale manufacturing and processing of all other food and goods. This allows for easier implementation, including consideration for alcohol licensing. The recommended action would add the new definitions to the list of permitted uses in targeted commercial and light industrial zones and regulations would be introduced to control the scale of the operations and to regulate ancillary uses.

**Review of other Municipalities**

The Zoning By-laws of several Ontario municipalities were reviewed to determine if and how other cities are addressing “artisanal” uses. The results of this review also served to influence the abovementioned recommended approach to accommodate “artisanal” uses in the City of London.

“Micro-brewery” and “craft brewery” are defined in the Zoning By-laws for Windsor, Chatham, Woodstock and Guelph. They identified these uses as small-scale and permitted the consumption of the alcoholic beverage both on- and off-site. In terms of controlling the scale, the City of Windsor limits the use to a maximum gross floor area of 300 square metres and the City of Chatham limits production to 50,000 hectolitres annually for sale at retail outlets. The cities of Woodstock and Guelph do not appear to have regulations which would regulate the scale of such facilities.

Definitions for “workshop,” “craftperson shop,” “craftsman shop” and “artisans workshop” are contained in the Zoning By-laws for Windsor, Hamilton, Kitchener, and Kingston, respectively. These definitions are as follows:

Workshop means part of a building where goods are crafted, assembled and packaged exclusively for sale in a retail store or a wholesale store located in the same building therewith. (City of Windsor)

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Craftperson Shop shall mean an establishment used for the creation, finishing, refinishing or similar production of custom or hand-made commodities, together with the retailing of such commodities. (City of Hamilton)

Craftsman Shop means an establishment used for the creation, finishing, refinishing or similar production of custom or hand-made commodities, together with the retailing of such commodities. (City of Kitchener)

Artisans Workshop means an area devoted to the small-scale, labour intensive, light manufacturing of specific physical products by a skilled workman or craftsman. (By-Law Number 85-110 - 1985) (City of Kingston)

These definitions identify criteria such as custom, hand-made, self-contained, small-scale and labour-intensive, which share characteristics with the “artisanal” uses requested as part of this recommended action. There appear to be no regulations directly related to the specific uses identified above which would restrict the physical scale of the operations independently from other permitted uses in the zones.

**New Definitions**

Drawing from other municipalities’ definitions, consultation with the OEV Development Corporation, the OEV BIA as well as staff’s experiences with small-business owners and recent inquiries, two definitions were created through a collaborative effort. The recommended definitions include:

“ARTISAN WORKSHOP” means an establishment used for the processing or manufacturing of specialty or craft goods, including food and non-alcoholic beverages, by the use of hand tools or small-scale, light mechanical equipment.

“CRAFT BREWERY” means an establishment used for the processing of specialty or craft beer, cider, wine and/or spirits.

**Locations for Artisanal Uses**

“Artisan Workshop” and “Craft Brewery” uses have the ability to support the “urban environment” and facilitate symbiotic relationships with the existing uses. As such, the downtown, Old East Village, Richmond Row, Wortley Village, Lambeth Mainstreet, Hyde Park, the Hamilton Road commercial corridor, and the *McCormick Area Secondary Plan* area were seen as ideal locations to introduce the two new uses. To implement this, “Artisan Workshop” and “Craft Brewery” uses are recommended to be added to the list of permitted uses within the Downtown Area Zone DA1 and DA2, Business District Commercial Zone BDC, Arterial Commercial Zone AC4, and Light Industrial Zone LI1.

**Limiting the Scale**

Although the definitions describe small-scale uses, additional regulations are recommended to ensure there is a physical limit to these operations within commercial zones. Within the Downtown Area Zone DA1 and DA2, Business District Commercial Zone BDC, and Arterial Commercial Zone AC4 a gross floor area maximum of 500 square metres is recommended. This physical limit will help to reduce possible negative impacts of the use and ensure that they are in keeping with the context and planned function of the commercial zones. This scale is also compatible with the size of the existing building floor plates within these areas. While this regulation specifies the maximum as-of-right scale, a request to increase the gross floor area can also be sought through the use of a Minor Variance, whereby the site-specific impacts can be individually evaluated.

In reviewing other municipalities’ approaches, the City of Windsor provides an example of applying a gross floor area maximum to a brewery use. Within the City’s definition for a “micro-brewery” a gross floor area maximum of 300 square metres is specified. It is important to note that this use is permitted within various commercial district and manufacturing district zones,

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which are comparable to the zones recommended for “Artisan Workshop” and “Craft Brewery” uses.

Within the Light Industrial Zone LI1, no scale restrictions on “Artisan Workshop” and “Craft Brewery” uses are recommended, consistent with the other permitted uses within the zone variation.

### **Non-manufacturing Component**

To ensure that the planned function of the commercial zones are maintained, the recommendation includes regulations for a mandatory retail store or restaurant component to an “Artisan Workshop” or “Craft Brewery” establishment when located on the ground floor of a building or unit with street front access. Retail store and restaurant uses, specifically when located on the ground floor at the front of the building, will provide an active street frontage to small-scale manufacturing and processing establishments and ensure they are in keeping with the intended nature of the commercial zones in which they are recommended to be introduced.

Within industrially zoned areas, less emphasis should be placed on ancillary uses. Current regulations within the Light Industrial zone limit retail sales of goods to a maximum of 25% of the gross floor area or 100 square metres. The same limit is recommended to be applied to all uses ancillary to “Artisan Workshop” and “Craft Brewery” establishments.

This approach of limiting the scale of the “Artisan Workshop” and “Craft Brewery” uses within the commercial zones, but not within the industrial zones encourages the smaller-scale businesses that are looking to have accessory retail and restaurants to locate within commercial areas where they are more suited. Larger operations, which would be more appropriate in industrial areas would be encouraged to locate within the light industrial areas being recommended. Limiting the scale of ancillary uses also ensures that the operation of surrounding light industrial uses are not limited or compromised by the introduction of sensitive uses.

### **Parking**

The new definitions require that associated parking regulations be established. Due to the nature of “Artisan Workshop” and “Craft Brewery” uses requiring a retail store or restaurant component within certain zones, a split rate is recommended. This ensures that the parking requirements are proportionate to the use and are flexible to accommodate different types of businesses. The rates proposed are consistent with current parking rates for similar uses.

## **Policy Framework**

### **Provincial Policy**

The *Provincial Policy Statement (PPS) 2014*, provides policy direction on matters of provincial interest related to land use planning and development. The PPS is intended to be read in its entirety and the relevant policies are to be applied to each situation. Section 3 of the Planning Act requires that decisions affecting planning matters “shall be consistent” with policy statements issued under the Act.

Policy 1.3.1(b) of the PPS directs planning authorities to promote economic development and competitiveness by providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses. This Zoning By-law amendment is responsive to the changing needs of businesses and expands the opportunities for small business development and economic diversity.

Policy 1.3.2.1 of the PPS directs planning authorities to protect and preserve employment areas for current and future uses and ensure that the necessary infrastructure is provided to support current and projected needs. By accommodating emerging new uses within employment areas, this Zoning By-law amendment allows these employment areas to adapt to the changing economic environment supporting their long-term function and protecting their future use.

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Further, policy 1.7.1(c) of the PPS indicates that long-term economic prosperity should be supported by maintaining and, where possible, enhancing the vitality and viability of downtowns and mainstreets. This Zoning By-law amendment directs new and creative businesses to the downtown and mainstreet areas to enhance the vitality and viability of these areas.

**1989 Official Plan**

The current Official Plan contains Council's objectives and policies to guide the short-term and long-term physical development of the municipality. The policies promote orderly urban growth and compatibility among land uses. While the objectives and policies in the Official Plan primarily relate to the physical development of the municipality, they also have regard for relevant social, economic and environmental matters.

This Zoning By-law amendment is consistent with policy 2.15.2 ii) which promotes and supports economic development initiatives related to the “new economy” businesses and services, as this recommended amendment would support an emerging economic sector focused on the development of local businesses. In addition, policy 2.15.2 iv) supports the retention of London’s unique neighbourhoods; this recommended Zoning By-law amendment is consistent with this policy as it provides a greater opportunity for local businesses to establish within mainstreet areas that support or are themselves neighbourhoods, creating distinctive places.

Within the Downtown Designation, light industrial uses are identified as a permitted use through policy 4.1.6 ix). This policy indicates that “a limited range of light industrial services... that are compatible with adjacent uses with regard to scale, appearance, and access” may be permitted within the downtown. This designation also permits a broad range of retail and service uses. “Artisan Workshop” and “Craft Brewery” uses are comparable to light industrial services and will integrate within the context of the downtown both through the maximum gross floor area which regulates the scale and through the required retail store or restaurant use which will affect the street front appearance and access.

The Business District Commercial Zone is typically associated with the Main Street Commercial Corridor Designation. Policy 4.4.1.1 iv) encourages mixed-use development to achieve a diverse mix of land uses within this designation. Policy 4.4.1.4 of the Official Plan permits uses within the Main Street Commercial Corridor Designation including service and repair establishments, food stores, and studios, which are similar in nature to the recommended “Artisan Workshop” and “Craft Brewery” uses. In addition, this designation permits retail uses and restaurants, which are a recommended required component of ground floor “artisanal” uses; this ensures the continuity of the intended pedestrian-oriented nature of the Main Street Commercial Corridor is preserved, consistent with policy 4.4.1.3.

The Arterial Commercial Zone is typically associated with the Auto-Oriented Commercial Corridor Designation. Section 4.4.2.4 of the Official Plan identifies light industrial uses which have ancillary retail, wholesale or service functions as a permitted use within this designation. The recommended “Artisan Workshop” and “Craft Brewery” uses, which are recommended to require a retail store or restaurant use as a component when located on the ground floor with street front access, are similar in nature to these uses.

The Light Industrial Designation permits industrial uses that involve assembling, fabricating, manufacturing, processing and/or repair activities; are located within enclosed buildings; require only a limited amount of outdoor storage; and are unlikely to cause adverse effects with respect to air, odour or water pollution, or excessive noise levels, through policy 7.3.1 of the Official Plan. The recommended “Artisan Workshop” and “Craft Brewery” uses fall within this description. Further, restrictions on office uses and retail outlets within the Industrial Designations are addressed through policy 7.5.3, which states that the “Zoning By-law shall contain regulations to limit the kinds of activities to be allowed as ancillary retail uses and the size of the retail use and to require the provision of parking facilities.” The recommended amendments would directly implement this policy through regulations that limit the size of uses ancillary to “Artisan Workshop” and “Craft Brewery” uses within the proposed light industrial zone.



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### **The London Plan**

The London Plan was adopted by Council on June 23, 2016 and sets the new goals and priorities to shape the growth, preservation, and evolution of London for the next 20 years. As this is a city-wide amendment to the Zoning By-law, the general policies and the place type policies of The London Plan were reviewed for guidance.

This Zoning By-law amendment primarily targets mainstreet and business areas throughout the city, providing a greater diversity of opportunities for small-scale creative businesses for food production and artisanal manufacturing within these select areas. This approach of targeting main street business areas is consistent with the policy direction provided in The London Plan through policy 55\_4, which promotes revitalization of urban neighbourhoods and business areas, and policy 154\_4, which encourages the economic revitalization and enhancement of business attraction of urban main streets.

Policy 55\_1 and policy 57\_5 of The London Plan direct us to promote a vibrant business environment that offers a wide range of economic opportunities and to use culture and creativity to attract and retain labour force and business investment. This Zoning By-law amendment helps to achieve these goals by providing the opportunity for creative small-businesses to integrate within the existing urban areas and for businesses to later expand into industrial areas of the city.

The commercial zones which are recommended to include “Artisan Workshop” and “Craft Brewery” uses to the list of permitted uses generally apply to locations within the Downtown, Rapid Transit Corridor, Urban Corridor, and Main Street Place Types of The London Plan. Policy 800\_7 permits light industrial uses within the Downtown Place Type “where it is deemed appropriate and it is demonstrated that there will be no adverse land use impacts and the use can be compatible within its context.” “Artisan Workshop” and “Craft Brewery” uses are similar in nature to light industrial uses with no anticipated adverse impacts and therefore consistent with this place type. Furthermore, policy 800\_3 encourages retail and services uses at grade, which is consistent with the requirement of retail store or restaurant use to locate within the front portion of the ground floor.

Policy 837\_4, which applies to the Rapid Transit Corridor and Urban Corridor Place Types, and policy 908\_3, which applies to the Main Street Place Type, similarly state that retail and service uses will be encouraged to front the street at grade. This Zoning By-law amendment directs retail stores and restaurant uses to the front portion of the ground floor street front within commercial zones, consistent with this policy direction. While there are no specific policies addressing “artisanal” uses within the Rapid Transit Corridor and Urban Corridor Place Types, they encourage mixed-use buildings (policy 837\_2) and discourage large floor plate, single use buildings (policy 873\_3). The maximum gross floor area regulation recommended for the commercial zones is consistent with this direction. Similarly, mixed-use buildings are also encouraged within the Main Street Place Type (policy 908\_2).

The industrial zones which are recommended to include “Artisan Workshop” and “Craft Brewery” uses to the list of permitted uses generally apply to locations within the Light Industrial and Commercial Industrial Place Types of The London Plan. The Light Industrial Place Type is suited to the artisanal uses that operate at the larger scales recommended for the light industrial zones as the increased scale may result in minor impacts that are not appropriate for commercial areas, but are not great enough to justify directing them to the Heavy Industrial Place Type, consistent with policy 1115\_1. Similarly, the Commercial Industrial Place Type anticipates uses with impacts such as noise, vibration or emissions greater than what would not be expected in a commercial context (1119\_e).

### **Strategic Plan**

The recommended Zoning By-law amendment implements Council’s Strategic Plan, specifically the strategic direction of creating a “diverse and resilient economy” under which the City aims to “support small businesses by improving City processes.” The recommended Zoning By-law amendment implements this direction by reducing or eliminating the requirement for future Zoning

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By-law amendments and/or Minor Variances by many small businesses, thus supporting small business development by removing the required time and financial burden of these processes.

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| <b>CONCLUSION</b> |
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The introduction of two new uses, “Artisan Workshop” and “Craft Brewery,” to permit small-scale manufacturing and processing of goods, food and beverages supports the development of creative small-business within the downtown and targeted commercial and light industrial areas throughout the city. Associated regulations ensure the planned function of the zones are met and land use conflicts are minimized.

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| <b>PREPARED BY:</b>  | <b>SUBMITTED BY:</b>   |
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| <b>KERRI KILLEN<br/>PLANNER II, URBAN REGENERATION</b>                             | <b>MICHAEL TOMAZINCIC, MCIP, RPP<br/>MANAGER, CURRENT PLANNING</b> |
| <b>RECOMMENDED BY:</b>   |  |
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| <b>JOHN M. FLEMING, MCIP, RPP<br/>MANAGING DIRECTOR, PLANNING AND CITY PLANNER</b> |  |

February 6, 2017  
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December 9, 2016

The City of London  
Planning Services  
PO Box 5035  
London, ON N6A 4L9

Attention: Kerri Killen, [kkillen@london.ca](mailto:kkillen@london.ca)

Re: Z-8703 Notice of Application to Amend the Zoning By-law – Artisanal Industrial Uses

Dear Ms. Killen:

Thank you providing us with the opportunity to comment on the City’s initiative to introduce provisions that will recognize and enable “artisanal industrial” uses in the City. This is of great interest to us, as a craft brewery located in the City at 1030 Elias Street (Ward 4).

We are currently seeing our neighbourhood thrive as businesses are able to find competitively-priced space, close enough to downtown and established residential areas, and hope that these changes will assist in that positive growth. For us, and other similar manufacturers, it is important that zoning recognizes our unique character – we manufacture but also need flexibility to have retail space and a space for our product to be tasted and enjoyed. We would like to see a shift in regulation for uses like ours towards creating an environment that people want to visit, but also hang out in. A place where members of the community can meet and gather is no longer mutually exclusive to a manufacturing use. Our customers, and similarly customers of pottery, leather goods, cheese-making, coopering, glass-blowing, etc. are as interested in the “making” process as they are in enjoying, or purchasing, the final product.

We would like you to consider that for our specific use, it would be helpful to be given the flexibility as a recognized “artisanal” use – and the ability to develop a small outdoor patio area. We understand that outdoor patios are currently restricted to restaurants, and that restrictions are to ensure no disruption to neighbours, rowdiness etc. Because of our artisanal character (and provincial licensing restrictions), we are not permitted to serve past 9 pm under any circumstances. In addition, because we are “artisanal” but located in an industrial area, there is minimal potential for disruption to residential uses. We believe that one of the benefits to having a mix of artisanal uses in an area of light office/industrial is that we have regular traffic, both vehicular and foot/bike, coming and going after many of the traditional businesses are closed for the day. This element of safe design would be further enhanced by the ability to keep “eyes on the street” in the form of an outdoor patio. We think that there could be an approach that would place restrictions on the size of the outdoor area, in combination with seasonal limitations, that would ensure compatibility with the surrounding district.

We understand that the process is just beginning and look forward to staff’s analysis and draft amendments. Thank you for your consideration.

Yours truly,  
Gavin Anderson, President  
Anderson Craft Ales

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**File: Z-8703  
Planner: K. Killen**

**Proposed Artisanal Zoning**  
**Old East Village BIA Feedback - Thematic Analysis and Report**  
**January 31, 2017**

**Submitted by: Jennifer Pastorius, Old East Village BIA Manager**

In April 2016, the Old East Village BIA formally requested City of London Planning staff to review the need for an Artisanal Zoning definition to be added areas defined as Business District Commercial and Light Industrial. City of London Planning, Business Liaison and Zoning staff with the support of the Old East Village BIA determined that new definitions and regulations to support small scale artisanal producers would be beneficial for the growth of small business in specific areas of the city. In this inquiry it was understood that the artisanal zoning that would be most effective would provide opportunities for businesses to produce and sell in the same building and broaden what can be produced on site.

In support of this process, the BIA staff provided the context required to understand what has historically and is currently occurring on a local level and committed to gathering comments throughout the process and on the final draft from property and business owners and members of the community. Below is the final thematic analysis which has been categorized as either Questions/Confirmations and Support.

**Questions/ Confirmations:**

- Some businesses may be interested in sharing a space. The regulations states that the Gross Floor Area determines the scope of the retail or in some cases the parking. Does the GFA relate to only the space specifically designated as being used for the artisanal producer, or does it relate to the entire building?
- In the regulations, it states that production requires no outdoor operations or storage. Many artisan producers, in order to share their craft and increase sales may be interested in displaying their product outside their store, vending outside their store, or at times want to host production demonstrations to encourage customers to enter their shop and learn more about their product. Please confirm that the outdoor operations and storage is included to eliminate non-consumer based outdoor activity but is not meant to hinder retail positive artisanal displays, vending and demonstrations.
- In the regulations, it states that ancillary use is mandated to be on the ground floor. Please clarify that if the ground floor is occupied with an applicable use, this regulation will not forbid artisanal production and retail on other floors.
- The 10% retail mandatory component is necessary for active uses of storefronts. However, could Planning assist in providing tools within these regulations to ensure animated storefronts by way of hours of operation, signage and/or lighting?
- Ancillary uses designated as retail, restaurant or taverns are important to further develop the commerce in the area. Could educational programing be considered as ancillary in properties

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**File: Z-8703**  
**Planner: K. Killen**

zoned as BDC who have no direct access onto the commercial corridor but instead front onto the rear of the commercial area?

**Support**

- Those property owners, who went through the variance process, identified that the variance significantly delayed the development of their businesses. Even though previous businesses were not able to reap the rewards of the proposed zoning they support it as a positive and necessary move forward for the area.
- Property owners identified that requests are increasing for artisanal production and retail which will reduce vacancy and create more business activity. It will encourage small business development and by extension create jobs.
- This kind of zoning is overdue but businesses are very thankful it is being proposed.
- The increased ability to sell/produce in a space would render commercial spaces far more appealing for tenants.
- It is very important that the ground floor is prioritized for artisanal zoning in BDC. Upper and basement floors can still be active retail and production spaces but should not be filled before street level vacancies.
- It is important that retail/restaurant component at the front of the building is mandatory in Business District Commercial. This will continue to ensure the growth of commercial traffic in the area and will deter property owners from choosing tenants which do not contribute to the developing commerce in the area.
- Artisanal definitions will avoid variance applications thus providing zoning support that small scale artisanal producers need to smoothly open their businesses and positively affect the economy in London.
- It is believed that Artisanal Zoning will help bring more small business to the Old East Village and assist in the ongoing revitalization.
- Businesses and property owners are very supportive of the proposed definitions and regulations and feel that they provide greater opportunity for business growth and attraction in the Old East Village.

The Old East Village BIA is pleased to provide this report outlining the comments and questions provided by our board, and members of the property owner and business community regarding the proposed Artisanal Zoning. Comments were collected throughout the process via email, in general consultation and at BIA board meetings and have been integrated by Planning staff as this initiative progressed. We thank all City staff who have been a part of this process and the BIA looks forward to continue working together on this and other projects in the future.

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**File: Z-8703**  
**Planner: K. Killen**

**From:** Kathy McLaughlin <kathy@downtownlondon.ca>  
**Sent:** Thursday, February 02, 2017 3:34 PM  
**To:** Killen, Kerri  
**Subject:** Re: Artisanal Zoning

Hi Kerri,

Janette and I just discussed this and we are in support of the proposal. The GFA maximum of 500 m2 is aligned with most building main floor floorplates. For larger buildings, you have provided flexibility in allowing for multiple units. There is still an opportunity to go for variance if there is ever a unique situation where the operation will be more than 500 m2 and it makes sense from a business district perspective. We would expect to be part of the consultation process if this happens.

Again, thank you for your good work and diligence in making helpful changes to zoning for our business districts to allow this use.

Best regards,

Kathy

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**File: Z-8703  
Planner: K. Killen**

**Appendix "A"**

Bill No. (number to be inserted by Clerk's Office)  
2017

By-law No. Z.-1-17\_\_\_\_\_

A by-law to amend By-law No. Z.-1 to amend Section 2 (Definitions), Section 4 (General Provisions), Section 20 (Downtown Area (DA1) Zone variation), Section 20 (Downtown Area (DA2) Zone variation), Section 25 (Business District Commercial (BDC) Zone variation), Section 26 (Arterial Commercial (AC4) Zone variation), and Section 40 (Light Industrial (LI1) Zone variation) to add artisan uses and regulations in the City of London.

WHEREAS The Corporation of the City of London intends to add new regulations in By-law No. Z.-1 pertaining to artisanal uses within commercially and industrially designated areas within the City of London;

AND WHEREAS this rezoning conforms to the Official Plan;

THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

- 1) Section 2 (Definitions) is amended by adding as a new definition for "ARTISAN WORKSHOP" the following:

*"ARTISAN WORKSHOP" means an establishment used for the processing or manufacturing of specialty or craft goods, including food and non-alcoholic beverages, by the use of hand tools or small-scale, light mechanical equipment.*

- 2) Section 2 (Definitions) is amended by adding as a new definition for "CRAFT BREWERY" the following:

*"CRAFT BREWERY" means an establishment used for the processing of specialty or craft beer, cider, wine and/or spirits.*

- 3) Section 2 (Definitions) is amended by adding the following sentence after the last sentence of the definition of "CUSTOM WORKSHOP":

*"This may include an artisan workshop."*

- 4) Section 4.19 10) b) (Parking Standards Areas 2 and 3) is amended by adding the following new regulation:

|                         | <b>Parking Standard Area 2</b>  | <b>Parking Standard Area 3</b>  |
|-------------------------|---|---|
| <i>Artisan Workshop</i> | <i>1 per 100m<sup>2</sup> (1,076 sq ft) for processing/manufacturing, plus 1 per 25m<sup>2</sup> (269 sq ft) for retail area/restaurant</i> | <i>1 per 100m<sup>2</sup> (1,076 sq ft) for processing/manufacturing, plus 1 per 15m<sup>2</sup> (161 sq ft) for retail area/restaurant</i> |
| <i>Craft Brewery</i>    | <i>1 per 100m<sup>2</sup> (1,076 sq ft) for processing, plus 1 per 25m<sup>2</sup> (269 sq ft) for retail area/restaurant</i>               | <i>1 per 100m<sup>2</sup> (1,076 sq ft) for processing, plus 1 per 15m<sup>2</sup> (161 sq ft) for retail area/restaurant</i>               |

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**File: Z-8703  
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5) Section 20.2 (Permitted Uses) of the Downtown Area (DA) Zone is amended by adding the following uses:

1) DA1

- Artisan Workshop
- Craft Brewery

6) Section 20.2 (Permitted Uses) of the Downtown Area (DA) Zone is amended by adding the following uses:

2) DA2

- Artisan Workshop
- Craft Brewery

7) Section 20.3 (Regulations) of the Downtown Area (DA) Zone is amended by adding the following new regulation:

DA GROSS FLOOR AREA (MAXIMUM)

*The maximum gross floor area for specific individual uses in the DA1 and DA2 Zone variations shall be as follows:*

- a) Artisan Workshop 500m<sup>2</sup> (5,382 sq.ft.)
- b) Craft Brewery 500m<sup>2</sup> (5,382 sq.ft.)

8) Section 20.3 (Regulations) of the Downtown Area (DA) Zone is amended by adding the following new regulation:

REQUIRED GROUND FLOOR USES FOR ARTISAN WORKSHOP AND CRAFT BREWERY

*Where located on the ground floor with street front access, Artisan Workshop and Craft Brewery uses shall include a retail store or restaurant that:*

- a) *is located within the main building or unit occupied by the Artisan Workshop or Craft Brewery use;*
- b) *is a minimum of 10% of the gross floor area (GFA) of the main building or unit;*
- c) *is located within the front portion of the ground floor; and,*
- d) *is accessible via the front of the building.*

9) Section 25.2 (Permitted Uses) of the Business District Commercial (BDC) Zone is amended by adding the following uses:

1) BDC

- Artisan Workshop
- Craft Brewery

10) Section 25.3 1) (BDC Gross Floor Area (Maximum)) of the Business District Commercial (BDC) Zone is amended by adding the following new regulation:

- Artisan Workshop 500m<sup>2</sup> (5,382 sq.ft.)
- Craft Brewery 500m<sup>2</sup> (5,382 sq.ft.)



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**File: Z-8703  
Planner: K. Killen**

11) Section 25.3 (Regulations) of the Business District Commercial (BDC) Zone is amended by adding the following new regulation:

*\_) REQUIRED GROUND FLOOR USES FOR ARTISAN WORKSHOP AND CRAFT BREWERY*

*Where located on the ground floor with street front access, Artisan Workshop and Craft Brewery uses shall include a retail store or restaurant that:*

- a) is located within the main building or unit occupied by the Artisan Workshop or Craft Brewery use;*
- b) is a minimum of 10% of the gross floor area (GFA) of the main building or unit;*
- c) is located within the front portion of the ground floor; and,*
- d) is accessible via the front of the building.*

12) Section 26.2 (Permitted Uses) of the Arterial Commercial (AC) Zone is amended by adding the following uses:

*5) AC4*

- \_) Artisan Workshop*
- \_) Craft Brewery*

13) Section 26.3 1) (AC4 Gross Floor Area (Maximum)) of the Arterial Commercial (AC) Zone is amended by adding the following new regulation:

- \_) Artisan Workshop 500m<sup>2</sup> (5,382 sq.ft.)*
- \_) Craft Brewery 500m<sup>2</sup> (5,382 sq.ft.)*

14) Section 26.3 (Regulations) of the Arterial Commercial (AC) Zone is amended by adding the following new regulations:

*\_) REQUIRED GROUND FLOOR USES FOR ARTISAN WORKSHOP AND CRAFT BREWERY*

*Where located on the ground floor with street front access, Artisan Workshop and Craft Brewery uses shall include a retail store or restaurant that:*

- a) is located within the main building or unit occupied by the Artisan Workshop or Craft Brewery use;*
- b) is a minimum of 10% of the gross floor area (GFA) of the main building or unit;*
- c) is located within the front portion of the ground floor; and,*
- d) is accessible via the front of the building.*

15) Section 40.2 (Permitted Uses) of the Light Industrial (LI) Zone is amended by adding the following uses:

*1) LI1*

- \_) Artisan Workshop*
- \_) Craft Brewery*

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16) Section 40.3 (Regulations) of the Light Industrial (LI) Zone is amended by adding the following new regulations:

*\_.) ANCILLARY USES FOR ARTISAN WORKSHOP AND CRAFT BREWERY*

*Ancillary uses are permitted for Artisan Workshop and Craft Brewery uses provided that:*

- a) the ancillary use is located within the main building or unit occupied by the Artisan Workshop or Craft Brewery use;*
- b) the ancillary use does not exceed 25% of the gross floor area (GFA) of the main building or unit or 100m<sup>2</sup> (1076 sq. ft.) and does not exceed 30m<sup>2</sup> (323 sq. ft.) in total of retail goods not manufactured on site;*
- c) the ancillary use provides off-street parking spaces at the retail rate in Section 4.19 (Parking) of this By-law; and,*
- d) the ancillary use is accessible via the front of the building.*

The inclusion in this By-law of imperial measure along with metric measure is for the purpose of convenience only and the metric measure governs in case of any discrepancy between the two measures.

This By-law shall come into force and be deemed to come into force in accordance with Section 34 of the *Planning Act, R.S.O. 1990, c. P13*, either upon the date of the passage of this by-law or as otherwise provided by the said section.

PASSED in Open Council on March 21, 2017.

Matt Brown  
Mayor

Catharine Saunders  
City Clerk

First Reading - March 21, 2017  
Second Reading - March 21, 2017  
Third Reading - March 21, 2017