

ORDINANCE NO. 3 - 14

AN ORDINANCE AMENDING THE MUNICIPAL CODE OF THE CITY OF HUDSON, WISCONSIN

WHEREAS, the City has received inquiries from persons with interest in developing breweries, wineries, brewpubs, and manufacturers (distilleries), in the City of Hudson;

WHEREAS, the Hudson City Code, particularly the zoning code, does not directly address these types of businesses;

WHEREAS, the City Plan Commission and Common Council believe these types of businesses may be beneficial to the City of Hudson if located in appropriate areas of the City of Hudson where they would be compatible with the surrounding uses; and if they are regulated appropriately to minimize negative impacts and to protect the public health, safety, and welfare;

THE COMMON COUNCIL OF THE CITY OF HUDSON HEREBY ORDAINS AS FOLLOWS:

SECTION 1: New Section 255-75.2 which establishes zoning regulations for Breweries, Brewpubs, Wineries, and Distilleries is hereby created.

A. Purpose. The purpose of this section is to establish standards for Breweries, Distilleries, Brewpubs, and Wineries in commercial and industrial zoning districts.

These provisions establish the framework for city review of applications for Breweries, Distilleries, Brewpubs, and Wineries, the zoning districts in which they are permitted, and the standards which apply to development of these businesses in the various zoning districts.

The facility types and review standards established in this chapter are not intended to modify or supersede Wisconsin statutory regulation of breweries, distilleries and wineries, although the City does intend to regulate these uses to the fullest extent allowed by law to protect the public health, safety, and welfare.

B. Definitions. For the purposes of this code, the following definitions of Brewery, Off-site Retail Outlet, Distillery, Brewpub, and Winery are established.

1. **Brewery.** An establishment or facility that manufactures fermented malt beverages for sale or transportation and has a permit under Wis. Stat. 125.29. A Brewery may

operate an Off-Site Retail Outlet, subject to the requirements of Wis. Stat. 125.29 and all requirements of the Hudson City Code. A Brewery does not include a permittee under Wis. Stat. 125.295 (Brewpub).

2. Brewery Off-Site Retail Outlet. An establishment operated by a Brewery at a site separate from the Brewery manufacturing premises, where fermented malt beverages are sold for on-premises or off premises consumption, subject to the requirements and limitations of Wis. Stat. 125.29 (3). There shall be no bottling, manufacturing, or packaging activities conducted on a Brewery Off-Site Retail Outlet. Activities at a Brewery Off-Site Retail Outlet shall be limited to retail sales of fermented malt beverages as allowed in Wis. Stat. 125.29 (3) and/or operation of a restaurant, if it meets all requirement of Hudson City Code and is permitted under the Conditional Use Permit.

3. Brewpub. An establishment or facility which has a permit under Wis. Stat. 125.295 which manufactures fermented malt beverages and operates a restaurant on the premises.

4. Distillery. A Distillery is an establishment or facility that manufactures intoxicating liquor on the premises and has been issued a Manufacturers Permit under Wis. Stat. 125.52.

5. Winery. An establishment or facility that manufactures and bottles wine on the premises for sale to wholesalers and has a permit issued under Wis. Stat. 125.53.

6. Principal Business means the primary activity as determined by analyzing the amount of capital, labor, time, attention and floor space devoted to each business activity and by analyzing the sources of net income and gross income. The name, appearance, and advertising of the entity may also be taken into consideration if they are given less weight.

7. Ancillary means a use that is subordinate to a Principal Business which is operated on the same premises as the ancillary use.

C. Uses permitted by zoning district.

The table below establishes the level of review by which applications for various types of Breweries, Brewery Off-Site Retail Outlet, Distilleries, Brewpubs and Wineries will be processed. If a zone is not listed in the table, Breweries, Brewery Off-Site Retail Outlet, Distilleries,

Brewpubs, and/or Wineries are not permitted in that zoning district.

Review standards and procedures will include certificates of compliance under Hudson City Code Section 255-77 and conditional use permits under Hudson City Code Section 255-76, and requirements established in this section.

Breweries, Brewery Off-Site Retail Outlet, Brewpubs, Distilleries and Wineries: Permitted Zoning Districts and Required Reviews.

	B-2 <u>General Business</u>	B-3 <u>Central Business</u>	I-1 <u>Light Industrial</u>	I-2 <u>General Industrial</u>
Brewery	NP	NP	CC	CC
Brewery Off-Site Retail Outlet	CUP	CUP	NP	NP
Brewpub	CUP	CUP	NP	NP
Distillery	CUP	CUP	CC	CC
Winery	CUP	CUP	CC	CC

CC – Certificate of Compliance

CUP – Conditional Use Permit

NP – Not permitted

D. Limits on production areas and tasting rooms: The maximum area devoted to production and tasting rooms are limited in the B-3, Central Business District (downtown commercial area):

	<u>Production Area*</u>	<u>Tasting room area</u>
Brew Pub	3,000 sq. ft.	N/A
Distillery	3,000 sq. ft.	4,000 sq. ft., but no minimum if the Distillery is ancillary to a restaurant, which is the Principal business.
Winery	3,000 sq. ft.	4,000 sq. ft., but no minimum if the Winery is ancillary to a restaurant, which is the Principal Business.

*Does not include storage area

E. Limits on type of food service: Breweries, Distilleries, and Wineries located in an I-1, Light Industrial zoning district will be allowed limited food service on-site. Food service shall be an Ancillary Use and may include food service provided by the Brewery, Distillery, or Winery, through a catering service, prepackage or a restaurant, upon the approval of a conditional use

permit.

F. Ancillary retail sales within Breweries, Distilleries and Wineries: Ancillary retail sales must be clearly Ancillary to the Principal Business.

G. Certificate of Compliance standards. Where a use is specified as requiring a certificate of compliance the standards and requirements of Section 255-77 apply. The following standard also applies for a certificate of compliance required for Breweries, Distilleries, Brewpubs, and Wineries and carries the same importance in the review.

1. Manufacturing, crushing and fermentation operations shall be managed such that by-products are contained and disposed of in a manner that does not generate spillover effects onto adjacent property, public spaces, or public right-of-way. Proposed connections to the City sanitary sewer system including any required pre-treatment system shall be submitted as part of a certificate of compliance application.

H. Conditional Use Permit standards. Where a use is specified as a conditional use permit (CUP) the standards and requirements of Section 255-76 apply. The following standards also will apply for conditional use permits required for Breweries, Brewery Off Site Retail Outlets, Distilleries, Brewpubs, Wineries, and any Restaurants associated with any Brewery, Brewery Off Site Retail Outlet, Distillery, Brewpub, or Winery, and carry the same importance in the review.

1. Distilleries, Brewpubs and Wineries with primary manufacturing, processing and on-site fermentation are permitted in the B-3, Central Business District and the B-2 General Business District through the approval of a conditional use permit only if it can be demonstrated that their production/manufacturing level is not at a level that would be considered more on an industrial than commercial scale and the manufacturing activities would be compatible with the pedestrian-oriented commercial development of the Central Business District (downtown commercial district) and the commercial operations in the General Business District. Considerations include hours of operation, noise, odors, and other similar considerations.

2. Traffic and material handling activities are of a scale typical of commercial deliveries in the zoning district which the use is proposed.

3. Traffic and material handling activities do not disrupt vehicle and pedestrian traffic operations normally conducted in the area and zoning district within which the use is proposed.

4. Crushing and fermentation operations shall be managed such that by-products are contained and disposed of in a manner that does not generate spillover effects onto adjacent property, public spaces, or public right-of-way. Proposed connection to the City sanitary sewer system including any required pre-treatment system shall be submitted as part of the conditional use permit application.

5. No outside storage is permitted, other than commercial refuse containers, but not for by-products.

6. Mitigation of environmental and other off-site impacts including, but not limited to noise, odors, insects, and reuse of water resources shall be addressed.

7. a. The hours for retail sale or furnishing of fermented malt beverages for on-premises or off-premises consumption at the premises of a Brewery, a Restaurant operated on Brewery premises, or the premises of a Brewery Off-Site Retail Outlet, shall be limited to the hours established under Wisconsin Statutes or Hudson City Code, whichever is more restrictive, applicable to Class "B" licensed premises for sale of fermented malt beverages.

b. The hours of operation for furnishing of intoxicating liquor for on-premises consumption at the premises of a Brewery, a Restaurant operated on Brewery premises, or the premises of a Brewery Off-Site Retail Outlet, (if furnishing of intoxicating liquor for on-premise consumption is authorized under Wis. Stat. 125.29 (h)), shall be limited to the hours established under Wisconsin statutes or Hudson City Code, whichever is more restrictive, applicable to "Class B" licensed premises.

c. The hours of operation for sale of fermented malt beverages for off-premises consumption at a Brewery, a Brewery Off-Site Retail Outlet shall be limited to the hours established for Class "A" licensees if the Brewery or Brewery Off-Site Retail Outlet sells beer for off premises consumption only.

8. The hours of operation for furnishing intoxicating liquor manufactured on a Distillery premises for on-premises consumption shall be limited to hours authorized for a "Class B" intoxicating liquor license under Wis. Stat. Chapter 125. Hours of operation for retail sale of intoxicating liquor manufactured on the premises of a Distillery for off premises consumption shall be limited to the hours established for a "Class A" license under Wis. Stat. Chapter 125.

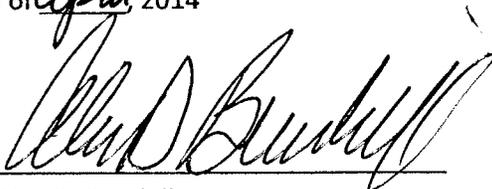
9. A Winery that has only a Department of Revenue permit under Wis. Stat. 125.53, and no municipal alcohol beverage or wine license shall not furnish taste samples of wine made on the premises between the hours of 9 p.m. and 8 a.m.

10. Any restaurant operated on Brewery premises and any Brewery Off-Site Retail Outlet must comply with all applicable off-street parking requirements and any other applicable requirements of Hudson City Code.

SECTION 2. SEVERABILITY. If a court of competent jurisdiction determines any section, clause, provision or portion of this ordinance to be unconstitutional or invalid for any reason, the remainder of this ordinance shall not be affected thereby.

SECTION 3. EFFECTIVE DATE. This ordinance shall become effective upon adoption by the Common Council and publication as provided by law.

Adopted this 7th day of April, 2014

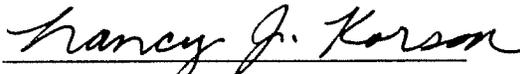

Alan D. Burchill, Mayor

1st Reading: March 24, 2014

Adopted: April 7, 2014

Published: April 17, 2014

Attest:


Nancy J. Korson, City Clerk