Sandy COMMUNITY DEVELOPMENT

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Staff Report Memorandum

September 4, 2025

To: City Council via Planning Commission

From: Community Development Department

Subject: Amendments to Title 21 of the Land Development Code CA08262025-0007027

related to Brewpubs

Public Hearing Notice: This item has been noticed on public websites, sent to affected entities and

posted in three public locations at least 10 days prior to the Public Hearing.

Request

At the request of the City Council, the Community Development Department is proposing to amend Title 21, Land Development Code, Chapter 21-8, Permitted Land Uses in the Commercial, Office, Industrial, Mixed Use, Transit Corridor, and Research and Development Districts, Chapter 21-19, Special Development (SD) Districts, Section 21-23-16, Alcoholic Beverages; Distance Requirements, and Section 21-37-2, "A" Definitions. The proposed code amendments will allow a brewpub to be in a variety of zoning districts beyond just the downtown Cairns District, but only if it is on the same premises as a sit-down restaurant. Brewpubs would be limited to the zoning districts where restaurants are currently allowed to serve alcohol. Additional code amendments include changes for consistency within the City Code and aligning with Utah Code.

Background

On April 29, 2025, the City Council adopted Resolution #25-16C pertaining to brewpubs, which is understood to be a restaurant with a brewery that manufactures and sells beer and heavy beer for on-site consumption. The resolution directed city staff to consider streamlining the permitting process, lowering the regulatory and financial barriers to entry and to evaluate areas that brewpubs could be allowed to operate that are outside of the downtown Cairns District. To address these objectives, the Community Development Department conducted an evaluation, prepared a report with recommendations and presented those findings to the City Council at their regularly scheduled meeting on July 15, 2025. At that meeting the City Council expressed support for the recommendations, directed staff to prepare code amendments and proceed with the standard process for adoption. This proposal implements the Council's direction with amendments to the Sandy Land Development Code (Title 21). The specific code amendments are included as Exhibit "A" (red-lined version) and Exhibit "B" (clean version).

Public Notice

The city issued notice of the public hearing for the proposed code amendments on public websites, mailed notice to affected entities and posted in three public locations at least 10 days prior to the Planning Commission public hearing in accordance with the Land Development Code Sec. 21-36-1 and the Utah State Code § 10-9a-205.

Analysis

Required Licenses for Brewpubs: To begin, it is important to understand the licensing requirements for a brewpub to operate in Utah. Under Utah Code, Alcoholic Beverage Control Act (<u>Title 32B</u>), two alcoholic beverage licenses are required

from the Utah Department of Alcoholic Beverage Services (DABS), with concurrence from the City:

- An alcoholic beverage brevery manufacturing license is required for the manufacturing, brewing, storage, and transport of beer and heavy beer. With this type of license, a brewpub can offer "beer" (≤5% alcohol content) and "heavy beer" (>5% alcohol content) to restaurant patrons for on-site consumption. A brewery manufacturing license also allows a brewpub to sell packaged "beer" that has been manufactured on-site to local distributors and to customers for take-out if they have dined at the restaurant.
- 2. An *alcoholic beverage restaurant license* is required for the service of alcohol to patrons for consumption on the premises. This type of license has three categories for the service of alcoholic beverages, which includes: 1) "beer only," 2) "limited service" for beer, heavy beer and wine, and 3) "full service" for beer, heavy beer, wine and liquor. A restaurant license also requires at least 70% of the total restaurant business to be generated from the sale of food; this ensures each restaurant is engaged primarily in serving meals to the public (vs. alcohol).

In sum, to allow a restaurant with a brewery that manufactures and sells beer and heavy beer for on-site consumption (aka brewpub) to operate in Sandy, both an alcoholic beverage restaurant license and a brewery manufacturing license are required from DABS with concurrence from the city.

Prohibited Areas for Brewpubs: Another consideration for brewpubs is the distancing requirements of the Utah Code (<u>UC 32B-1-202</u>), which prohibits restaurants that serve alcoholic (including brewpubs) from locating within proximity to a "community location." Community locations include public or private schools, churches, public libraries, public playgrounds and public parks. This distancing requirement acts like an overlay that is applied to all zones when evaluating whether an alcoholic beverage license may be issued at a specific location. These community locations have been identified on a map to illustrate the extent of this restriction. Please refer to the map in the exhibits for a visual reference.

Zoning Districts for Brewpubs: Currently, there are many zoning districts throughout Sandy that allow restaurants to serve alcohol with the proper license; however, very few zones outside of the downtown Cairns District allow for a brewery manufacturing license. Since a brewery that is on the same premises as a sit-down restaurant has very similar operational characteristics as a restaurant that is licensed to serve alcohol, the zones that allow a restaurant to serve alcohol were identified and proposed for brewpubs as well. Therefore, a brewery manufacturing license is proposed to be allowed in a variety of commercial zones beyond just the Cairns District, but only if it is on the same premises as a sit-down restaurant. The zoning districts both in and out of the Cairns District that would allow a brewpub are listed below. These locations are also illustrated on a map in the exhibits.

Commercial, Office, Mixed Use and Industrial Zones - Land Use Matrix (Chapter 21-8)
Central Business District (CBD)
Central Business District—Parkway Subdistrict (CBD-P)
Central Business District—Office Subdistrict (CBD-O)
Central Business District—Arts and Culture Subdistrict (CBD-A&C)
Planned Unit Development Commercial (CR-PUD)
Regional Commercial District (RC)
Boulevard Commercial District (BC)
Community Commercial District (CC)
Neighborhood Commercial District (CN)
Convenience Commercial District (CvC)
Neighborhood Commercial District-Historic Sandy (CN-HSN)
Historic Boulevard Commercial District (HBD)
Limited Commercial District (LC)
Professional Office District (PO)
Industrial District (ID)
Auto Mall – Commercial Subdistrict (AM)
Mixed Use District (MU)
Research Development District (RD)
Special Development Zones (<u>Chapter 21-19</u>)
SD – MU Mixed Use District (7800 S 1300 E)
SD – Magna – CC Subdistrict (9400-9800 S 2000 E)
SD – Smart District – CC & CN Subdistricts (7800 S 1300 E)

SD – Harada District (7575 S Union Park)
SD – JHS Miller District (9400 S State St)
SD – CC Timberline District (9400 S 900 E)
SD – MU-X – Ski Connect District (9200 S 1000 E)
SD – Union Heights Professional Office District – CvC & PO Subdistricts (7700 S 1300 E)
SD – PO Silver Sage District (10900 S 700 E)

Permitted vs. Conditional Use for Brewpubs: The same approach that is used to identify appropriate zoning districts for brewpubs is used to determine whether the use should be allowed as a permitted use vs. a conditional use in the zone. If the zone currently allows restaurants to serve alcohol as a permitted use, then a brewpub is proposed to be a permitted use in that same zone. Alternatively, if the zone currently allows restaurants to serve alcohol as a conditional use, then a brewpub is proposed to be a conditional use in that same zone.

Consistency with City and State Regulations: As part of this initiative to allow more opportunities for brewpubs in Sandy is ensuring alignment between city and state regulations. Consequently, some of the proposed code amendments are for the purpose of aligning City Code with current Utah Code. This includes removing alcoholic beverage licenses that are no longer valid and updating the land use terms with current licensing terminology of the state law. For example, Utah Code has replaced "dining club" liquor licenses with "restaurant" liquor licenses; and terms such as "club" is replaced with "bar establishment" and "tavern" is replaced with "on-premises beer tavern" license. These types of amendments are included in this proposal where appropriate.

Lastly, consistency between different sections of the Land Development Code was a consideration for the SD–(JHS)(MILLER) zoning district at 9400 S State Street (Sec. 21-19-16) because this zone is located entirely within the downtown Cairns District. Despite being in the Cairns District, the land uses related to alcoholic beverage licenses are not included in the zone like they are in the downtown CBD zones. Consequently, the alcoholic beverage license related land uses are added to the SD–(JHS)(MILLER) zone for consistency within the City Code.

Non-Conforming Uses

The proposed code amendments would not create any non-conforming situations but it will remove a non-conforming land use in the SD–MU Mixed Use Zone at 7800 S 1300 E (Sec. 21-19-3). In this location of the SD-MU zone there is an existing restaurant with a valid alcoholic beverage license that has been operating for many years; however, alcoholic beverage restaurant licenses are not listed as a land use in that zone. Temporary event permits are allowed, but the code is silent on restaurant licenses. Therefore, alcoholic beverage restaurant licenses (and a brewery manufacturing license) are proposed to be added to this zone, but only at the 7800 S 1300 E location. There is another SD–MU zone at 9400 S 1300 E, which is located around the city's amphitheater. This change would <u>not</u> apply in that area, and the proposed amendments specify this restriction on location.

Land Development Code Purpose Compliance

The Sandy City Land Development Code in 21-1-3 lists the criteria explaining the intent and purpose of the Ordinance. The purpose is:

21-1-3 Purpose

This Code is adopted to implement Sandy City's General Plan and to promote public health, safety, convenience, aesthetics, welfare; efficient use of land; sustainable land use and building practices; transportation options and accessibility; crime prevention; timely citizen involvement in land use decision making; and efficiency in development review and land use administration. Specifically, this Code is established to promote the following purposes:

1. General

- a. To facilitate the orderly growth and development of Sandy City.
- b. To facilitate adequate provision for transportation, water, sewage, schools, parks, and other public requirements.
- c. To stabilize property values.
- d. To enhance the economic well-being of Sandy City and its inhabitants.

2. Implementation of General Plan

To coordinate and ensure the implementation of the City's General Plan through effective execution of development review

requirements, adequate facility and services review and other goals, policies, or programs contained in the General Plan.

3. Comprehensive, Consistent and Equitable Regulations

To establish a system of fair, comprehensive, consistent and equitable regulations, standards and procedures for review and approval of all proposed land development within the City.

4. Efficiently and Effectively Managed Procedures

- a. To promote fair procedures that are efficient and effective in terms of time and expense.
- b. To be effective and responsive in terms of the allocation of authority and delegation of powers and duties among ministerial, appointed, and elected officials.
- c. To foster a positive customer service attitude and to respect the rights of all applicants and affected citizens.

The proposed code amendment is consistent with the purpose of the Land Development Code because the proposal promotes public health, safety and welfare; ensures consistency and equitable standards; establishes fair procedures that are efficient and effective in terms of time and expense; facilitates the orderly growth and development of Sandy City; and is consistent with the Sandy City General Plan.

General Plan Compliance

The Sandy City General Plan encourages appropriate development standards for all uses and zoning categories within the city. The proposed code amendment furthers that goal and objective by establishing appropriate land development standards for all uses and zoning categories within Sandy City.

Recommendation

Staff recommends that the Planning Commission forward a positive recommendation to the City Council to amend Title 21, of the Sandy Municipal Code, relating to Brewpubs, as shown in Exhibit "A", based on the following findings:

Findings:

- 1. The City Council may amend land use ordinances consistent with the purposes of the Sandy Land Development Code, the Sandy City General Plan, and the Utah Code, Municipal Land Use, Development, and Management Act per Title 21 Chapter 5 of the Sandy Municipal Code.
- 2. The proposal is reviewed by the Planning Commission and City Council in accordance with the requirements of Title 21 Chapter 5 of the Sandy Municipal Code.
- 3. The proposal complies with the purpose of the Land Development Code under Section 21-1-03 by promoting the public health, safety, and welfare; ensuring consistent and equitable standards; establishing fair procedures that are efficient and effective in terms of time and expense; and by facilitating the orderly growth and development of Sandy City.
- 4. The proposal complies with the Goals and Policies of the General Plan by establishing appropriate development standards for all uses and zoning categories within Sandy City.

Planner:

Melissa Anderson Zoning Administrator

Exhibits:

- A. Proposed code amendments (red-lined version)
- B. Proposed code amendments (clean version)
- C. Map of buffers that restrict brewpub locations
- D. Map of areas a brewpub could locate

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