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Memorandum July 15, 2025

To: Sandy City Council
From: Community Development Department
Subject: Brewpub Analysis to Consider Streamlining Processes, Lowering Costs, and Expanding Locations for Brewpubs in Sandy City

Introduction

On [April 29, 2025](#), the City Council adopted [Resolution #25-16C](#) pertaining to brewpubs. A brewpub is a restaurant with a brewery that 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 expanding locations where brewpubs could be permitted in Sandy City. To address these goals, the Community Development Department has conducted an evaluation and prepared this report with recommendations for the Council's consideration.

Analysis

In the resolution, the City Council directed staff to conduct a comprehensive examination of all city regulations and provide recommendations on various topics pertaining to brewpubs. Each of these topics are addressed in the following discussion (see A through F below).

To begin, it is important to understand the licensing requirements for a brewpub to operate in Utah. Under Utah Code, Alcoholic Beverage Control Act ([Title 32B](#)), two alcoholic beverage licenses are required from the Utah Department of Alcoholic Beverage Services ([DABS](#)). This includes both an alcoholic beverage restaurant license and a brewery manufacturing license.

A brewery manufacturing license is required to manufacture, brew, store, and transport beer and heavy beer. With this type of license, a brewpub can offer "beer" ($\leq 5\%$ 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.

An alcoholic beverage restaurant license allows 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).

(A) Simplify and streamline permitting processes; and (B) Reduce financial barriers to entry.

Streamlining permitting processes and reducing financial barriers to entry are closely related topics. So, A and B are addressed together under this section.

The State of Utah establishes the legal framework under which businesses and cities may engage in activities related to alcoholic beverages. As such, Sandy City must administer licenses and land use regulations in alignment with those regulations, which do not easily translate to a streamlined permitting process. For example, the state may require multiple alcoholic beverage licenses to allow a brewpub to operate, and the city must follow and cannot bypass those rules. However,

if there is a city process that the state does not require, city staff can propose efficiencies to streamline procedures.

As shown on the business licensing comparison chart (see attachment), Sandy requires a \$2,000 cash bond and a \$150-\$500 cash bond for violations relating to sales to minors. DABS also requires their own \$10,000 surety bond for each alcoholic beverage license, which imposes a significant financial cost to businesses. Staff also found that among those surveyed, Sandy is the only city that requires a cash bond for an alcoholic beverage license. Furthermore, the Police Department currently uses their own processes for enforcement related to sales to minors, and the Community Development Department has never needed to use this bond in over 20 years of administering business licenses. Therefore, removal of the cash bond requirements will streamline the licensing procedures, and it will remove this financial burden from the business owner.

Another cost reduction relates to alcoholic beverage license fees. Currently, Sandy charges an annual fee for each alcoholic beverage license, regardless of the fact that the business is on the same site. To reduce costs for the business owner, the alcoholic beverage licenses needed for a brewpub could be limited to one license fee per site vs. per license. For example, a brewpub would be charged \$219 annually (vs. \$438 annually) for a restaurant license and manufacturing brewery license that is located on the same site.

Recommendation: Eliminate the cash bond requirements for an alcoholic beverage license. Reduce the alcoholic beverage license fee to one fee per site.

(C) Ensure alignment between city and state regulations.

City staff has reviewed the Utah Code, Alcoholic Beverage Control Act ([Title 32B](#)), the [DABS](#) website, and discussed state regulations directly with staff at DABS. Based on this research, staff find the Sandy Code aligns well with the Utah Code. There will be minor changes proposed in the future when a code amendment package is brought back through an adoption process.

(D) Remove regulations that restrict brewpubs to the Cairns District; and (E) Analyze and recommend zoning districts where brew pubs should be permitted.

These are similar topics, so D and E are addressed together under this section. It is possible for Sandy to expand the zones beyond the Cairns District to allow a brewpub. However, there are areas of the city where state law prohibits issuance of an alcoholic beverage license. Under state law distancing requirements ([UC 32B-1-202](#)), brewpubs will not be able to locate within proximity to a “community location.” Community locations include public or private schools, churches, public libraries, public playgrounds and public parks. These community locations have been identified and mapped out (in red) to illustrate the extent of this restriction. Please refer to the map in the attachments.

As mentioned previously, two alcoholic beverage licenses will be required from DABS: 1) Manufacturing brewery license, and a 2) Restaurant license to serve alcohol, to expand brewpubs to other zoning districts. Sandy’s Land Development Code ([Title 21](#)) uses the same land uses categories as the state’s alcoholic beverage licenses. Consequently, both land uses will need to be allowed in a zoning district for a brewpub to operate in that area of the city.

Currently, almost all the non-residential zoning districts in the city allow restaurants to serve alcoholic beverages. But to allow a brewpub, the manufacturing brewery license will need to be an allowed land use for it to locate in a zoning district. Since a brewpub operates very similarly to a restaurant, it is recommended that brewpubs be allowed in the same zones that allow a restaurant that serves alcohol. In addition, if a restaurant that serves alcohol is a permitted use in a zone, then a brewpub is recommended to be allowed as a permitted use in that same zone. This same approach could be applied to conditional uses, by allowing a brewpub as a conditional use in all zones that allow a restaurant that serves alcohol with a conditional use permit. Using this methodology, it is recommended that brewpubs be allowed in the zoning districts listed below. These areas are also illustrated on a map in the attachments.

Central Business District (CBD)	Industrial District (ID)
Central Business District—Parkway Subdistrict (CBD-P)	Automall—Commercial Subdistrict (AM)
Central Business District—Office Subdistrict (CBD-O)	Mixed Use District (MU)
Central Business District—Arts and Culture Subdistrict (CBD-A&C)	Research Development District (RD)
Planned Unit Development Commercial (CR-PUD)	SD - Harada District

Regional Commercial District (RC)	SD – Union Heights District—CvC and PO Subdistricts
Boulevard Commercial District (BC)	SD - Smart District— CC and CN Subdistricts
Community Commercial District (CC)	SD – PO Silver Sage District
Neighborhood Commercial District (CN)	SD – CC Planned Center District
Convenience Commercial District (CvC)	SD - MU District— 7800 S 1300 E Subdistrict
Neighborhood Commercial District-Historic Sandy (CN-HSN)	SD – Magna CC District (9400 S 2000 E)
Historic Boulevard Commercial District (HBD)	SD - CC Timberline District
Limited Commercial District (LC)	SD - X District
Professional Office District (PO)	SD – JHS Miller District

Recommendations: Remove language in the code that restricts brewpubs to only the Cairns District. Allow brewpubs in zones that already allow a restaurant that serves alcohol. If a restaurant that serves alcohol is a permitted use in a zone, then a brewpub could be a permitted use in that zone; the same approach could be used for conditional uses. Please refer to the attachments to see a map of where a brewpub could be located based on this recommendation.

(F) Develop a potential implementation process, including a scaled approach for expanding permitted locations.

If the City Council wanted to phase in areas of the city that could allow a brewpub, the zoning districts could be limited to only those in the downtown area, neighborhood activity centers, and the ski hub. This would still include many zoning districts but would reduce the zoning districts to only those found in these areas.

Planner:



Melissa Anderson
Zoning Administrator

Exhibits:

- A. Business License Fee Comparison and Recommendations
- B. Map of buffers that restrict brewpub locations
- C. Map of areas a brewpub could locate