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### MEMORANDUM

TO: Planning Commission

FROM: Fletcher Lacock, Planner III

DATE: May 28, 2020

RE: File #200A002 - An Ordinance to clarify the retail sales component for microbreweries as conditional uses in the Light Industrial District by amending subsection 17.22.030N of the Rapid City Municipal Code

The Light Industrial District currently allows microbreweries as a conditional use limiting the use to production with associated retail including off-sale, sampling, and food not including a restaurant. The Zoning Ordinance also limits the production of beer to 5,000 barrels per year and does not allow on-sale use. South Dakota Codified Law (SDCL) has been amended to allow microbreweries to produce 30,000 barrels per year and the associated State issued microbrewery license includes an on-sale liquor license to sell beer produced by the microbrewery.

Staff was approached by a local microbrewery to discuss amending the Zoning Ordinance to reflect changes in State law. Staff's concern was to ensure that any on-sale liquor use would be accessory to, and secondary to the principle use of a micro-brewery. As such, the proposed Ordinance Amendment limits the area of the on-sale use to 20% of the floor area of a micro-brewery. In addition, the proposed Ordinance would allow on-sale liquor use in conjunction with a micro-brewery as a conditional use. The proposed Ordinance Amendment will revise the language to remove specific numbers regarding production, revise the references to SDCL to reflect recent and future changes, limit the area of the building that can be used to sell beer, and allow an on-sale liquor establishment as a conditional use in the Light Industrial District accessory to a microbrewery.

**RECOMMENDATION:** Staff recommends approval of the Ordinance Amendment to amend subsection 17.22.030N of the Rapid City Municipal Code to clarify the retail sales component for microbreweries as conditional uses in the Light Industrial District.



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