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ORDINANCE NO. O-1617-13

ITEM NO. 9

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**STAFF REPORT**

**GENERAL INFORMATION**

APPLICANT	Stephen Basey and Stephen & Holly Swanson
REQUESTED ACTION	Special Use for Light Manufacturing or Assembly Operations, and Special Use for a Bar, Lounge or Tavern
EXISTING ZONING	C-3, Intensive Commercial District
SURROUNDING ZONING	North: C-3, Intensive Commercial District East: C-3, Intensive Commercial District South: C-3, Intensive Commercial District West: C-3, Intensive Commercial District
LOCATION	422 East Main Street
SIZE	7,000 square feet
PURPOSE	Brewery with attached tap/tasting room (bar)
EXISTING LAND USE	Vacant
SURROUNDING LAND USE	North: Norman Fire Station East: Retail South: Office & Warehouse West: Retail
LAND USE PLAN DESIGNATION	Current Urban Service Area

**SYNOPSIS:** The applicants, Stephen Basey and Stephen and Holly Swanson, also known as Lazy Circles Brewing, are requesting approval for a Special Use Permit to allow for Light Manufacturing or Assembly Operations, and Special Use for a Bar, Lounge or Tavern in the C-3, Intensive Commercial District. The operation will consist of a small brewery "nanobrewery" and tasting room/bar use with craft beer sales for on-site consumption, as well as selling of retail items and their packaged craft brew product to individuals and wholesalers for off-site consumption. The business will be located just east of the intersection of Main Street and Porter Avenue on the south side of Main Street, 422 East Main Street, across from Fire Station No. 1.

**ANALYSIS:** The State of Oklahoma adopted Senate Bill No. 424 (SB 424) allowing breweries to serve and sell craft beers at their business site; this new law became effective August 25, 2016. A copy of SB 424 is attached for your review. Up until the recent adoption of SB 424 local breweries were not permitted to sell their craft beers to customers for on-site consumption or as package items to consume off-site. Wholesaling was the only means of distribution permitted. As of September 2016 the State of Oklahoma had 13 breweries registered with Oklahoma ABLE Commission, see attached list. This list is attached as a reference for those currently licensed by ABLE Commission. Lazy Circles Brewing is not on the attached list since they have not yet been licensed by ABLE.

Typically, a brewing business is located in an industrially zoned district; however, Special Use for Light Manufacturing in the C-3 District allows for:

Light Manufacturing or assembly operations, even though otherwise limited to I-1 District, meeting the following requirements:

- Similar in character to operations normally associated with a retail business.
- Conducted in conjunction with a retail business with one-fourth (1/4) of the building used for commercial purposes and completely separated from the manufacturing portion by a fixed wall with not more than one (1) door there in for use by employees.
- Conducted entirely within an enclosed building, same to be a building already in existence but this shall not be construed to prevent alterations to an existing building.
- Not objectionable due to noise, odor, dust smoke, vibration, danger to life and property or otherwise injurious to the health and safety of the neighborhood.

A brewery constitutes a manufacturing use with some associated retail components, such as the sale of secondary related products, for instance glasses, t-shirts and other items the business may carry on-site to promote their product, not to mention the sale of their crafted beer for off-site consumption. The focal point for breweries is to provide a tasting room for visitors to sample the crafted brew on the site, while offering tours of the brewery and discussions with staff how the beer is made.

In this case, Lazy Circles Brewing is a nanobrewery. Nanobrewery is used to describe a small scale microbrewery. A microbrewery may brew up to 15,000 barrels of their craft beer annually, whereas a nanobrewery is likely to be much smaller. The average production of a nanobrewery is about 3 barrels of beer or less in one batch; only producing one batch of domestic beer at a time and distributing it to a limited area. One barrel is equal to about 31 gallons which equates to approximately 2 kegs or 14 cases of beer. This nanobrewery will initially produce approximately 36 barrels a month with possible expansion in the future, all in compliance with State of Oklahoma ABLE Commission.

Lazy Circles Brewing will operate a 2 or 3 barrel system; this will allow them to carry approximately 6 different flavors of craft beer. They will serve their craft beer on-site and offer growlers for carry-out. A growler is approximately 64 ounces. These growlers will be sealed per ABLE guidelines. They will also offer wholesaling for off-site consumption.

The suite Lazy Circles will be renting is approximately 5,000 square feet. The rear 3,000 – 3,500 square feet will be utilized for the brewing barrels. The front 1,500 to 2,000 square feet will be for the tasting room/bar area, bathrooms, retail and office area.

**ALTERNATIVES/ISSUES:**

- **PARKING** – This property is zoned C-3, there are no parking requirements in place for this site; however, the applicant does have the approval from the property owner to utilize the parking area to the west of their building, there are approximately 3 spaces adjacent to Main Street as well as an area at the rear of the building, adjacent to the alley for 5, possibly 6 cars.
- **SIGNAGE** – Signage plan has not been submitted for review to date but all signage will meet the requirements under the C-3 District.

**OTHER AGENCY COMMENTS:**

- **PRE-DEVELOPMENT MEETING**      **PD NO. 16-17**      **Meeting October 27, 2016**  
There were no neighbors in attendance for the Pre-Development meeting.
- **PARK BOARD**      There are no park requirements for commercial rezoning for Special Use.
- **PUBLIC WORKS**      The site is platted with public improvements in place.

**STAFF RECOMMENDATION:**      The business will be licensed with the City Clerk’s Office as a Bar for sale of their craft brew, as well as comply with all Oklahoma ABLE regulations. Staff supports and recommends approval of Ordinance No. O-1617-13.