



# Corporate Report

NO: L009

COUNCIL DATE: June 9, 2003

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## REGULAR COUNCIL – LAND USE

TO: Mayor & Council                      DATE: June 3, 2003

FROM: General Manager, Planning & Development      FILE: 3900-20-12000  
3900-20-13656  
3900-20-13680  
6880-75

SUBJECT: By-law Amendments to Permit Farm-Based Wineries and Ancillary Uses on A-1 and A-2 Zoned Sites Within the Agricultural Land Reserve

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## RECOMMENDATION

The Planning and Development Department recommends that Council:

1. Receive this report as information;
2. Approve amendments to:
  - (a) Surrey Zoning By-law, 1993, No. 12000 (the "Zoning By-law"), as documented in Appendix I,
  - (b) Surrey Sign By-law, 1999, No. 13656 (the "Sign By-law"), as documented in Appendix II, and
3. Instruct the City Clerk to bring forward the amendment by-laws for the required readings and to set a date for the related Public Hearing; and
4. Instruct staff to bring forward the corresponding amendments to the Business License By-law, 1999, No. 13680 (the "Business License By-law") for Council's consideration.

## INTENT

The purpose of this report is to seek Council approval for amendments to City by-laws to facilitate the establishment of Farm-Based Winery and Ancillary Uses on A-1 and A-2 Zoned sites within the Agricultural Land Reserve (the "ALR").

## BACKGROUND

The Provincial Government adopted extensive changes in relation to the ALR and the Agricultural Land Commission (the "ALC") in November 2002. The changes included, among other things, the repeal of the *Agricultural Land Reserve Act*, the *Land Reserve Commission Act* and the *Soil Conservation Act*, the adoption of a new Act, the *Agricultural Land Commission Act* (the "ALC Act") that replaces these previous pieces of legislation and the reorganization of the ALC. The changes also included broadening the range of permitted farm uses within the ALR to include complimentary value-added farm uses.

One of the newly permitted value-added farm uses is the operation of a winery and ancillary uses on lands within the

ALR, subject to certain prescribed conditions. The amended *ALC Act* states that a winery and ancillary uses are permitted in the ALR and also states that this use may be regulated, but not prohibited by a local government. The Planning and Development Department supports the measures taken by the ALC to broaden the range of agricultural opportunities available in the ALR through the inclusion of complimentary value-added uses in the list of permitted uses.

As a result of the new provisions in the *ALC Act*, an owner of land within the ALR in Surrey has approached the City to be allowed to operate a farm-based winery (on Colebrook Road between 156 Street and 157 Street).

## **DISCUSSION**

To facilitate the operation of wineries and accessory uses in the City, several by-law amendments are necessary.

### **Current Zoning By-law Provisions**

The Zoning By-law contains the following regulations pertaining to commercial wine making:

1. Processing of wine is allowed in Industrial Zones that permit Light Impact Industry uses;
2. Wine making in the form of U-Vin (i.e. customer makes own wine at a wine making facility) is also permitted in some Commercial Zones where both retail and general service uses are permitted.

### **Provisions for a Farm-Based Winery in the *ALC Act***

The *ALC Act* now permits a winery and ancillary uses such as tours, retail sales including wine tasting and food and beverage services (maximum of 125 sq.m. [1,345 sq.ft.] indoors and maximum of 125 sq.m. [1,345 sq.ft.] outdoors), on lands within the ALR, subject to one of the following two conditions being satisfied:

1. A minimum of 50% of the farm product for making wine/cider is grown on the farm on which the winery is located; or
2. A minimum of 50% of the total farm product used for wine/cider making is provided from a minimum 2 ha [5 acre] farm in British Columbia under a minimum 3 year contract.

The *ALC Act* does not include specific provisions for the enforcement of the prescribed conditions. However, the Liquor Control and Licensing Regulation requires the winery license holder to keep specific records of some aspects of the winery operation for reporting purposes. Records to be kept by the licensee include:

- Record of tonnage of grapes or fruit harvested;
- Purchase records for grapes or fruit purchased, indicating the type, source and tonnage of the grapes or fruit; and
- Purchase records for juice or concentrate indicating the type, source and volume of the juice or concentrate.

The above records will enable the Liquor Control and Licensing Branch to enforce the winery and ancillary use conditions specified in the *ALC Act*.

### **Implementation**

## To implement the provisions of the *ALC Act* pertaining to farm-based wineries, the following by-law amendments are recommended:

### 1. Zoning By-law Amendments

The necessary amendments to the Zoning by-law are documented in Appendix I and are summarized below.

- (a) Definition: A new definition is to be included for "Farm-Based Winery" which will mean "a provincially licensed wine/cider making establishment within the ALR operated under the conditions specified in the ***ALC Act***";
- (b) Location Limitations: The "Farm-Based Winery" use should be permitted on all A-1 or A-2 zoned land within the ALR;
- (c) The following specific conditions should be the basis upon which a "Farm Based Winery" and Ancillary Uses are permitted in the City:
  - (i) A minimum of 50% of the farm product for making wine/cider is grown on the farm on which the winery is located;  
  
or  
  
A minimum of 50% of the total farm product used for wine/cider making is provided from a minimum 2 ha (5 acre) farm in British Columbia under a minimum 3 year contract;
  - (ii) The food and beverage service lounge associated with a "Farm Based Winery" is not to exceed a maximum area of 125 sq.m. [1,345 sq.ft.] indoors and a maximum of 125 sq.m. [1,345 sq.ft.] outdoors; and
  - (iii) The area allocated for wine retail sales, in association with a "Farm Based Winery", is not to exceed a maximum area of 93 sq.m. [1,000 sq.ft.].

As noted previously, conditions (i) and (ii) are stipulated in the *ALC Act*. Condition (iii) is recommended to ensure the wine retail use component of the operation is clearly accessory to the winery operation.

(d) Parking Space Requirements - The following are the recommended parking space standards for a "Farm-Based Winery" and Ancillary Uses:

- (i) Since wine processing is a light impact industrial use, the light impact industrial parking

requirement of 1 parking space per 100 sq.m. [1,075 sq.ft.] of the gross floor area used for wine manufacturing and processing is recommended;

- (ii) An allocation of 3 parking spaces for the retail sales area;
  - (iii) The food and beverage service lounge associated with a "Farm Based Winery" is similar to an eating establishment use. The parking standard for an eating establishment requires 10 parking spaces for every 100 sq.m. [1,075 sq.ft.] of gross floor area for restaurants greater than 150 sq.m. [1,615 sq.ft.] and a minimum of 3 parking spaces for restaurants less than 150 sq.m. [1,615 sq.ft.]. It is proposed that the parking space standard for the food and beverage service lounge component of a farm-based winery be the same as those for eating establishments.
- (e) Liquor Control and Licensing Requirements - A "Farm-Based Winery", including wine tasting, requires a license from the Provincial Liquor Control and Licensing Branch. The issuance of such a license does not require public consultation. However, a food and beverage service lounge that serves wine for on-site consumption requires a licensing process that involves public consultation and local government input. The Zoning By law should include a clause that states that a "Farm-Based Winery" use is subject to the *Liquor Control & Licensing Act*.

## 2. Sign By-law

The necessary amendments to the Sign By-law are documented in Appendix II and are summarized below.

The Sign By-law makes provision for the installation of signs in agricultural zones for specific purposes. Signs that may be erected with a sign permit include one identification sign per lot (maximum of 3.0 sq.m. [32 sq.ft.] in area) and one advertising sign for advertising the sale of farm produce (maximum of 3.0 sq.m. [32 sq.ft.] in area) per lot.

Due to the nature of a winery operation (involving various components and activities) it is recommended that the Sign By-law be amended to allow the owner of a farm that contains a "Farm-Based Winery" to install one free standing advertising sign with a maximum sign area of 13.9 m<sup>2</sup> [150 sq.ft.]) on each road frontage of the property on which the winery is located, as well as a fascia sign with a maximum sign area of 13.9 m<sup>2</sup> [150 sq.ft.].

## 3. Business License By-law

The Business License By-law does not include provisions for the issuance of a winery business license. Amendments to the Business License By-law, to allow issuance of a winery business license, are required. The corresponding amendments to the Business License By-law will be presented to Council in a separate report.

## Engineering Services

The existing engineering servicing standards, as contained within Surrey Subdivision and Development By-law, 1986, No. 8830 (the "Subdivision By-law") for the A-1 and A-2 Zones include:

- (i) Water supply from the City water distribution system or water supply from a proven source that meets the most recent Drinking Water Standards of the Province of British Columbia and in sufficient quantity to provide a continuous flow of 2,300 litres per day;
- (ii) A sewage disposal system meeting the requirements of the South Fraser Regional Health Board;
- (iii) An open ditch drainage system; and
- (iv) Overhead wiring for electrical and telecommunications wiring.

These provisions are considered reasonable for a "Farm-Based Winery" and, therefore, amendments to the Subdivision By-law are not required.

### **Agricultural Advisory Committee Review**

At its meeting on April 10, 2003, the Agricultural Advisory Committee (the "AAC") reviewed the Zoning By-law amendments as recommended in this report, to facilitate the establishment of wineries and related operations on ALR lands in the City (Appendix III). The AAC supported the Zoning By-law amendments so that wineries and accessory uses would be permitted on agricultural lands within the ALR in the City, subject to the conditions specified in the *ALC Act*.

## **CONCLUSION**

The *ALC Act* which came into effect on November 1, 2002, has broadened the permitted farm uses within the ALR. Wineries and related accessory uses are now permitted farm uses within the ALR. It is recommended that Council approve amendments to the Zoning By-law, as documented in Appendix I and the Sign By-law, as documented in Appendix II, to facilitate the establishment of wineries and accessory uses on ALR lands in Surrey, instruct the City Clerk to bring forward the necessary amendment by-laws for the required readings and to set a date for the related Public Hearing and instruct staff to bring forward the corresponding amendments to the Business License By-law for Council's consideration.

*Original signed by*

Murray Dinwoodie  
General Manager,  
Planning and Development

GG/NL/kms/saw

### **Attachments**

Appendix I - Proposed Zoning By-law Amendments

Appendix II - Proposed Sign By-law Amendments

Appendix III - AAC Minutes - April 10, 2003

## Proposed Zoning By-law Amendments

Amend Surrey Zoning By-law, 1993, No. 12000, as amended as follows:

1. In Part 1 Definitions:

- Insert the following immediately after the definition of "Family":

# "Farm-Based Winery"

Means a provincially licensed wine-making establishment within the *Agricultural Land Reserve* operated under the conditions specified in the Agricultural Land Commission Act. For the purposes of this By-law, cider-making is included."

- Insert the following immediately after the definition of "Welcome or Tourist Information Sign":

**"Winery, Farm-Based**  
see "Farm-Based Winery"

2. Insert the following in Table C.1 of Part 5 Parking and Loading /Unloading immediately after the Retail of Farm Products row (column headings included for reference only):

Use	Required <i>Parking Spaces</i>
<b><i>Farm-Based Winery</i></b>	i. 1 <i>parking space</i> for every 100 square metres [1,075 sq. ft.] of wine processing <i>gross floor area</i> ; ii. Minimum 3 <i>parking spaces</i> for retail use; and iii. Minimum 3 <i>parking spaces</i> for food and beverage service lounge.

3. Amend Part 10 General Agriculture (A-1) Zone as follows:

Insert the following as Sub-section B.4 and re-number the Section accordingly:

"4. *Farm-based winery* provided that:

- (a) This use shall occur only on land within the *Agricultural Land Reserve*; and
- (b) The use is subject to all conditions in the Agricultural Land Commission Act."

- Insert the following as Sub-section B.7(b) and re-number the Section accordingly:

"(b) i. Food and beverage service lounge associated with a *farm-based winery* in accordance with the Agricultural

Land Commission Act; and

- ii. Retail sales associated with a *farm-based winery* in accordance with the Agricultural Land Commission Act provided the maximum floor area for retail sales and wine tasting does not exceed 93 sq.m. [1,000 sq.ft.].

- Amend the first column in the second row of the table in Section F Yards and Setbacks by deleting "and B.7(b)" and replacing with ",B.5 and B.8(c)".
- Amend the second footnote (\*\*\*) below the table in Section F Yards and Setbacks by deleting "Sub-section B.6(e)" and replacing with "Sub-section B.7(e)".
- Amend Section G.1 by deleting "Section B.7" and replacing this with "Section B.8".
- Insert the following as Section L.13:

"13. *Farm-based winery* shall be subject to the Liquor Control and Licensing Act and the Agricultural Land Commission Act."

4. Amend Part 11 Intensive Agriculture Zone (A-2) as follows:

- Amend Section B.1 by deleting "B.6" and replacing this with "B.7"
- Insert the following as Sub-section B.5(b) and re-number the Sub-section accordingly:

"(b) i. Food and beverage service lounge associated with a *farm-based winery* in accordance with the Agricultural Land Commission Act; and

  - ii. Retail sales associated with a *farm-based winery* in accordance with the Agricultural Land Commission Act provided the maximum floor area for retail sales and wine tasting does not exceed 93 sq.m. [1,000 sq.ft.]".
- Amend the first column in the second row of the table in Section F Yards and Setbacks by deleting "and B.7(b)" and replacing with ",B.5 and B.8(c)".
- Amend the second footnote (\*\*\*) below the table in Section F Yards and Setbacks by deleting "Sub-section B.6(e)" and replacing with "Sub-section B.7(e)".
- Insert the following as Section L.13:

"13. *Farm-based winery* shall be subject to the Liquor Control and Licensing Act and the Agricultural Land Commission Act."

**Appendix II**

**Proposed Sign By-law Amendments**

Amend Surrey Sign By-law, 1999, No. 13656 as amended as follows:

- Amend Part 3 Signs in Agricultural Zone by deleting Section 19 and replacing it with the following:

"19. The following *signs* may be erected provided a *sign* permit is obtained:

1. Farm without Farm-Based Winery:

- (a) One *identification sign* per *lot* not exceeding 3.0 sq. m [32 sq. ft.] in *sign area* either as a *free-standing sign* or as a *fascia sign*;
- (b) *Signs* advertising the sale of farm produce not grown on the *premises* provided the *sign* does not exceed 3.0 sq. m [32 sq. ft.] in *sign area*;
- (c) One *Home Occupation Sign* per *lot* not exceeding 0.6 sq. m [6 sq. ft.] in *sign area*.

2. Farm with Farm-Based Winery:

- (a) One *free-standing advertising sign* not exceeding 13.9 sq. m [150 sq. ft.] in *sign area* for each *highway frontage*;
- (b) One *fascia sign* not exceeding 13.9 sq. m [150 sq. ft.] in *sign area*;
- (c) One *Home Occupation Sign* not exceeding 0.6 sq. m [6 sq. ft.] in *sign area*."

**4. Proposed Amendments to Zoning By-law No. 12000**

The committee was requested to review the above, and provide comments to the General Manager, Planning and Development, regarding proposed amendments to the above By-law, to permit winery and ancillary uses on A-1 and A-2 zoned lands within the Agricultural Land Reserve (ALR).

Based on the *Agricultural Land Commission Act* and related regulations, a winery or cidery and ancillary uses are permitted on lands within the ALR, subject to specific conditions:

1. A minimum of 50% of the farm product for making wine or cider is grown on the farm on which the winery/cidery is located; or
2. A minimum of 50% of the total farm product used for wine/cider making is provided under a minimum three-year contract from a minimum two hectares farm in BC.

The ancillary uses and the conditions under which they are permitted are as follows:

1. Farm-located winery/cidery tours;
2. Food and beverage service lounge associated with a farm -located winery/cidery with a maximum area of 125 square metres, indoor and 125 square metres outdoor; and
3. Farm-located winery/cidery retail sales and wine/cider tasting area.

It was

Moved by S. VanKeulen

Seconded by M. Hilmer

That the Agricultural Advisory Committee recommends to the General Manager, Planning and Development that the proposed amendments to Zoning By-law No. 12000 to permit winery and ancillary uses on A-1 and A-2 zoned lands within the ALR be approved so that the proposed amendment is consistent with the *Agricultural Land Commission Act*.

Carried