Minute No. 648
Report – Executive Policy Committee – October 18, 2017

Item No. 4 **Subdivision and Rezoning – 108, 110 and 112 Alexander Avenue; 107, 109 and 111 Pacific Avenue**
(Point Douglas Ward)
File DASZ 22/2017 [c/r DCU 146496/2017D]

COUNCIL DECISION:

Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That the plan of subdivision under File DASZ 22/2017 be approved for preparation as a plan of subdivision by a Manitoba Land Surveyor in accordance with Schedule "A" for File DASZ 22/2017 dated September 12, 2017 with such minor changes as may be required, and registration in the Winnipeg Land Titles Office, subject to the following:

   A. That the Developer be required to satisfy all the conditions outlined in the report of the Administrative Coordinating Group dated September 6, 2017 (Schedule "B").

2. That The Downtown Winnipeg Zoning By-law No. 100/2004 be amended by rezoning the subject land as shown on Schedule "A" for File DASZ 22/2017 dated September 12, 2017 to a "C" Character Sector.

3. That, in lieu of the dedication of land, the Developer shall provide cash payment representing ten percent (10%) of the appraised value of the Development Application, as determined by the City.

4. That the Director of Planning, Property and Development be authorized to certify any documents in connection therewith.

5. That in the event the matter is not proceeded with expeditiously and the by-law is not passed within two (2) years after adoption of the report by Council, the matter shall be deemed to be concluded and shall not be proceeded with unless an extension of time is applied for prior to the expiry of the two (2)-year period and Council approves the extension.

6. That the Director of Legal Services and City Solicitor be requested to prepare the necessary by-law in accordance with the above.

Report – Executive Policy Committee – October 18, 2017

COUNCIL DECISION (continued):

7. That the subdivision section of the by-law shall come into force and effect upon registration of the Plan of Subdivision in the Winnipeg Land Titles Office and execution of the City of the Servicing Agreement.

8. That the zoning section of the by-law shall come into force and effect when the Plan of Subdivision is registered in the Winnipeg Land Titles Office, provided that the said effective date occurs within one (1) year from the date the by-law is passed.

9. That the plan of subdivision shall be approved and signed by the Director of Planning, Property and Development within one (1) year from the date the by-law is passed, failing which the matter shall be deemed to be concluded and shall not be proceeded with unless an extension of time is applied for prior to the expiry of this one (1)-year period and Council approves the extension.

10. That in the event the necessary City of Winnipeg mylar approval signatures have not been secured within twelve (12) months after adoption of the by-law, the matter shall be deemed to be concluded and shall not be proceeded with unless an extension of time is applied for prior to the expiry of this twelve (12) month period and the extension is subsequently approved by Council.

11. That the Director of Legal Services and City Solicitor be requested to do all things necessary for implementation in accordance with the terms of The City of Winnipeg Charter.

Report – Executive Policy Committee – October 18, 2017

DECISION MAKING HISTORY:

Moved by His Worship Mayor Bowman,

That the recommendation of the Executive Policy Committee be adopted by consent.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On October 18, 2017, the Executive Policy Committee concurred in the recommendation of the Standing Policy Community on Property and Development, Heritage and Downtown Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On October 10, 2017, the Standing Policy Community on Property and Development, Heritage and Downtown Development concurred in the recommendation of the Winnipeg Public Service and forwarded the matter to the Executive Policy Committee.

RE: **Subdivision and Rezoning – 108, 110 and 112 Alexander Avenue; 107, 109 and 111 Pacific Avenue**
File DASZ 22/2017 [c/r DCU 146496/2017D]

For submission to: **Executive Policy Committee**

Prepared by: **Mr. A. Poitras, Senior Committee Clerk**
Standing Policy Community on Property and Development, Heritage and Downtown Development

Report date: **October 10, 2017**

STANDING POLICY COMMITTEE RECOMMENDATION:

On October 10, 2017, the Standing Policy Community on Property and Development, Heritage and Downtown Development concurred in the recommendation of the Winnipeg Public Service and recommended to the Executive Policy Committee:

1. That the plan of subdivision under File DASZ 22/2017 be approved for preparation as a plan of subdivision by a Manitoba Land Surveyor in accordance with Schedule "A" for File DASZ 22/2017 dated September 12, 2017 with such minor changes as may be required, and registration in the Winnipeg Land Titles Office, subject to the following:

A. That the Developer be required to satisfy all the conditions outlined in the report of the Administrative Coordinating Group dated September 6, 2017 (Schedule "B").

2. That The Downtown Winnipeg Zoning By-law No. 100/2004 be amended by rezoning the subject land as shown on Schedule "A" for File DASZ 22/2017 dated September 12, 2017 to a "C" Character Sector.

3. That, in lieu of the dedication of land, the Developer shall provide cash payment representing ten percent (10%) of the appraised value of the Development Application, as determined by the City.

4. That the Director of Planning, Property and Development be authorized to certify any documents in connection therewith.

5. That in the event the matter is not proceeded with expeditiously and the by-law is not passed within two (2) years after adoption of the report by Council, the matter shall be deemed to be concluded and shall not be proceeded with unless an extension of time is applied for prior to the expiry of the two (2)-year period and Council approves the extension.

6. That the Director of Legal Services and City Solicitor be requested to prepare the necessary by-law in accordance with the above.

7. That the subdivision section of the by-law shall come into force and effect upon registration of the Plan of Subdivision in the Winnipeg Land Titles Office and execution of the City of the Servicing Agreement.

8. That the zoning section of the by-law shall come into force and effect when the Plan of Subdivision is registered in the Winnipeg Land Titles Office, provided that the said effective date occurs within one (1) year from the date the by-law is passed.

9. That the plan of subdivision shall be approved and signed by the Director of Planning, Property and Development within one (1) year from the date the by-law is passed, failing which the matter shall be deemed to be concluded and shall not be proceeded with unless an extension of time is applied for prior to the expiry of this one (1)-year period and Council approves the extension.

10. That in the event the necessary City of Winnipeg mylar approval signatures have not been secured within twelve (12) months after adoption of the by-law, the matter shall be deemed to be concluded and shall not be proceeded with unless an extension of time is applied for prior to the expiry of this twelve (12) month period and the extension is subsequently approved by Council.

11. That the Director of Legal Services and City Solicitor be requested to do all things necessary for implementation in accordance with the terms of The City of Winnipeg Charter.

The Standing Policy Community on Property and Development, Heritage and Downtown Development provided the following supporting reason(s) for its recommendation:

1. This is an excellent reuse of an existing building which is potentially a heritage building.
2. It is preserving a heritage asset taken from the St. Regis.
3. It will become a wonderful destination in the heart of our arts and cultural district.
4. It’s something that we don’t have in this city.
5. I don’t see a single downside to this development.
6. It’ll be a lot of fun for people visiting the Exchange District.

PUBLIC HEARING SUMMARY

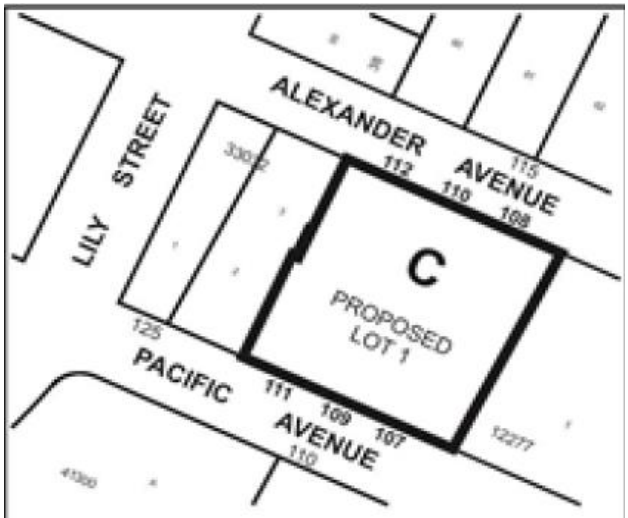
File: DASZ 22/2017

Before: Standing Policy Community on Property and Development, Heritage and Downtown Development
Councillor Orlikow, Chairperson
Councillor Dobson
Councillor Gerbasi
Councillor Schreyer

Public Hearing: October 10, 2017
Council Building, 510 Main Street

Applicant: Patent 5 Inc. (Brock Coutts)

Subject:



APPLICANT : PATENT 5 INC.
FILE : DASZ 22/17
PROPOSAL : An application for the approval of the plan of subdivision shown outlined above as may be determined by Council and for a proposed zoning change to By-law No. 100/2004 by rezoning the land shown outlined above from a "Downtown Living" Sector to a "Character" Sector to facilitate the consolidation of lands for the establishment of a Brewery/Distillery/Winery use. **For information, phone Mr. K. Kowalke, Planner at 204-986-5917.**

Premises Affected:	108, 110 and 112 Alexander Avenue; 107, 109 and 111 Pacific Avenue
Exhibits Filed:	1. Application dated August 2, 2017 2. Notification of Public Hearing dated September 6, 2017 3. Manitoba Status of Title 2434693/1 4. Letter of authorization dated June 6, 2017 from Bob Brown, Leon A. Brown Ltd. to Patent 5 Inc. 5. Plans (1 page) 6. Communication from the Applicant with respect to the application 7. Report from the Urban Planning Division dated September 12, 2017 8. Inspection Report

REPRESENTATIONS:

In Support:

Brock Coutts
Cindy Tugwell

In Opposition

Nil

For Information:

John Reimer-Epp

For the City:

J. Kiernan, Director, Planning, Property and Development
J. Veitch, Principal Planner, Planning, Property and Development Department
K. Kowalke, Senior Planner, Planning, Property and Development Department

Exhibit "7" referred to in File DASZ 22/2017

ADMINISTRATIVE REPORT

Title: **DASZ 22/2017 – 108-110 Alexander Avenue**

Critical Path: **Standing Policy Committee on Property and Development, Heritage and Downtown Development → Executive Policy Committee → Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Smith	J. Kiernan	n/a	D. McNeil

EXECUTIVE SUMMARY

An applicant wishes to operate a micro-distillery and tasting room on Alexander Avenue near Waterfront Drive. Under the Downtown Zoning By-law No. 100/2004, a distillery is not permitted at this location, and so a rezoning and a conditional use are required. The proposed rezoning adjusts the boundary between the Waterfront Drive Downtown Living Sector and the Warehouse Character Sector. The Planning, Property and Development Department recommend approval. A separate report has been submitted recommending the conditional use be approved.

RECOMMENDATIONS

1. That the plan of subdivision under File DASZ 22/2017 be approved for preparation as a plan of subdivision by a Manitoba Land Surveyor in accordance with Schedule "A" for File DASZ 22/2017 dated September 12, 2017 with such minor changes as may be required, and registration in the Winnipeg Land Titles Office, subject to the following:

    A. That the Developer be required to satisfy all the conditions outlined in the report of the Administrative Coordinating Group dated September 6, 2017 (Schedule "B").

2. That The Downtown Winnipeg Zoning By-law No. 100/2004 be amended by rezoning the subject land as shown on Schedule "A" for File DASZ 22/2017 dated September 12, 2017 to a "C" Character Sector.

3. That, in lieu of the dedication of land, the Developer shall provide cash payment representing ten percent (10%) of the appraised value of the Development Application, as determined by the City.

4. That the Director of Planning, Property and Development be authorized to certify any documents in connection therewith.

5. That in the event the matter is not proceeded with expeditiously and the by-law is not passed within two (2) years after adoption of the report by Council, the matter shall be deemed to be concluded and shall not be proceeded with unless an extension of time is applied for prior to the expiry of the two (2)-year period and Council approves the extension.
6. That the Director of Legal Services and City Solicitor be requested to prepare the necessary by-law in accordance with the above.
7. That the subdivision section of the by-law shall come into force and effect upon registration of the Plan of Subdivision in the Winnipeg Land Titles Office and execution of the City of the Servicing Agreement.
8. That the zoning section of the by-law shall come into force and effect when the Plan of Subdivision is registered in the Winnipeg Land Titles Office, provided that the said effective date occurs within one (1) year from the date the by-law is passed.
9. That the plan of subdivision shall be approved and signed by the Director of Planning, Property and Development within one (1) year from the date the by-law is passed, failing which the matter shall be deemed to be concluded and shall not be proceeded with unless an extension of time is applied for prior to the expiry of this one (1)-year period and Council approves the extension.
10. That in the event the necessary City of Winnipeg mylar approval signatures have not been secured within twelve (12) months after adoption of the by-law, the matter shall be deemed to be concluded and shall not be proceeded with unless an extension of time is applied for prior to the expiry of this twelve (12) month period and the extension is subsequently approved by Council.
11. That the Director of Legal Services and City Solicitor be requested to do all things necessary for implementation in accordance with the terms of The City of Winnipeg Charter.

REASON FOR THE REPORT

The applicant wishes to establish a micro-distillery to accommodate wholesale distribution of spirits through Manitoba Liquor and Lotteries. This type of operation is categorized as principal use distillery under the Downtown Winnipeg Zoning By-law No. 100/2004. The site requires a rezoning and a conditional use for the distillery use. A separate report has been submitted recommending the conditional use be approved.

The Standing Policy Committee on Property and Development, Heritage and Downtown Development is the delegated hearing body for zoning applications in Downtown Winnipeg.

Only Council can approve By-law amendments.

IMPLICATIONS OF THE RECOMMENDATIONS

If the recommendations of the Winnipeg Public Service are concurred in, the proponents may establish the distillery use and begin wholesale distribution (subject to approval of the associated conditional use application).

HISTORY/DISCUSSION

The subject property is approximately 22,000 square feet (2,044 square metres) and has frontage on two parallel streets, Alexander Avenue and Pacific Avenue, located in the Civic Centre Neighbourhood of the Downtown in the Point Douglas Ward. A three-storey building is located on the site, and its footprint covers the entire subject property. The building was constructed in phases early in the 20th century, beginning in 1904. It is not a designated heritage structure.

The applicant proposes to develop a micro-distillery producing less than 500 hectolitres of spirits annually. These grain-based spirits (whiskey, gin and vodka) will be distributed wholesale through Manitoba Liquor and Lotteries, and served in an on-site tasting room available to the public. The micro-distillery operation will occupy approximately 2,230 square feet (207.2 square metres), with the tasting room of approximately 570 square feet (52.9 square metres). The tasting room will be directly accessible from the street.

The building on the subject site will not substantially change in appearance, and the applicant intends to apply for permits to add signage which is in keeping with the historic character of the subject building and surrounding neighbourhood. Loading will occur at an existing loading dock directly accessible from the street.

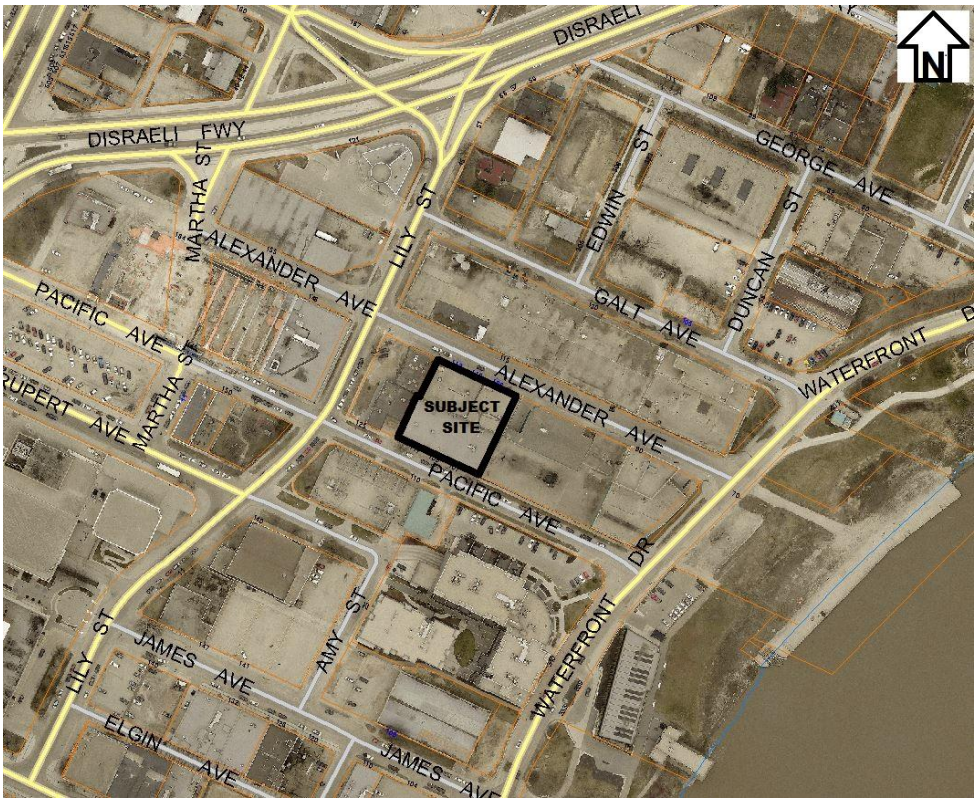


Figure 1: Aerial photo of subject site and surrounding uses *(flown 2016)*



Figure 2: Zoning of the subject site and surrounding area

Zoning By-law No. 100/2004

The proposed Character Sector zoning encourages a compatible, fine-grained mix of uses rather than a separation of uses. The Downtown Living Sector was intended as a primarily residential enclave focused on Waterfront Drive. Many light industrial uses, including a brewery/distillery/winery, are not permitted in the Downtown Living Sector. Therefore, a rezoning application is required.

Zoning rights are not substantially different between the two sectors, but the Character Sector does permit a number of additional uses including brewery/distillery/winery, which are conditional uses in this sector. The associated tasting room component of the proposed development fulfills the expectations of an active street edge.

By rezoning the subject property to Character Sector, the property will act as a transition between the more intensive land uses in the Multiple Use Sector to the west, and the residential-focused uses of Waterfront Drive to the east.

Compatibility

The applicant has consulted with the Residents of the Exchange District group regarding the proposed development and has obtained a letter of support from this residents group. It is worth noting that there are currently no residential uses located on the subject block.

In 2016, the Standing Policy Committee on Property and Development, Heritage and Downtown Development concurred in the recommendation of the Winnipeg Public Service to rezone the land at 125 Pacific Avenue, a property located immediately west of the subject property, from Downtown Living Sector to Character Sector. An associated conditional use was also granted. This was done to permit the expansion of a micro-brewery operation at this location.

Loading and Garbage

Given that this operation will be occurring within an existing building that will not be substantially changing in appearance, the only other potential compatibility issue is loading and trucking activity at the site. The subject property features an existing loading dock directly accessible from Alexander Avenue (Figure 3). This loading dock will be used three to four times per week to unload one pallet of grain for the purpose of distilling. In addition to this, bottles and other equipment will be received approximately every six months.

Finished products will be shipped from this location once per week, in the form of approximately one pallet, destined for Manitoba Liquor and Lotteries facilities.

It is anticipated that these loading operations will take less than 60 minutes at a time. None of the loading operations will require vehicles larger than a five-ton truck (e.g., no semi-trailer trucks will be used). Under Manitoba Liquor and Gaming Authority regulations, a micro-distillery establishment is limited to maximum production of 500 hectolitres of spirits per year.

No permanent outdoor garbage facilities will be created by this development. Instead, the operation will have garbage and recycling carts, which will be wheeled out on designated collection days.



Figure 3: View of the subject property (2014). The loading dock is seen on the right *(Google Street View)*

Summary

The Urban Planning Division believes the proposed rezoning to “C” Character is suitable at this location and recommends that the rezoning be approved, for the following reasons:

- The use is small-scale, and will therefore have little spillover effects on nearby properties.
- The development makes use of an existing under-utilized building in the Downtown.
- The tasting room component of the proposed distillery is oriented to the street and will draw pedestrian traffic to this block of Alexander Avenue.
- The development maintains the subject building’s facade, which dates back to 1904.

FINANCIAL IMPACT

Financial Impact Statement

Date: September 13, 2017

Project Name:

DASZ 22/2017 – 108-110 Alexander Avenue

COMMENTS:

The applicant will be required, in lieu of the dedication of land, to provide cash payment representing ten percent (10%) of the appraised value of the Development Application, as determined by the City. The amount of said payment is not determinable at this time and is not anticipated to be material in nature. As such, there are no financial implications associated with this report.

"Original Signed By"

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with: N/A

OURWINNIPEG POLICY ALIGNMENT

Our Winnipeg, Section 01-1c – Downtown

- Key Direction: Pursue a focused district, destination and cluster approach to Downtown development that will seek to:
    - Provide predictability and opportunity for investment
    - Increase the variety of complimentary experiences and opportunities
    - Help achieve a critical mass of people-oriented activity that is vital to ongoing economic success

Per the *Complete Communities Direction Strategy*, the proposed development is within the Downtown policy area, which is identified as a transformative area. Key relevant policies guiding development include subsection 03-1a *Organizing Downtown*:

- Direction 1 – Further define and enhance the identity and character of Downtown's unique districts, destinations and clusters.
    - Formally identify Downtown's unique districts, destinations and clusters, and characterize them as distinct and complementary for the purpose of Downtown growth and development planning.
    - In consultation with local stakeholders, establish development criteria and enabling guidelines that support focused public and investment goals for each district, destination and cluster.

SUBMITTED BY

Department: Planning, Property and Development
Division: Urban Planning
Prepared by: Robert Galston
Date: September 12, 2017
File No: O:\Reports Directive\Planning and Land Use\Urban Planning Reports\2017 Reports\DASZ 22-2017 RIS - 108-110 Alexander

Attachments:
1. Schedule 'A': File DASZ 22/2017, September 12, 2017
2. Schedule 'B': Administrative Coordinating Group Servicing Agreement report

Schedule 'A' for File No. DASZ 22/2017, SPC Property and Development, Heritage and Downtown Development, September 12, 2017

By-Law No. _____

File No. **DASZ 22/17**

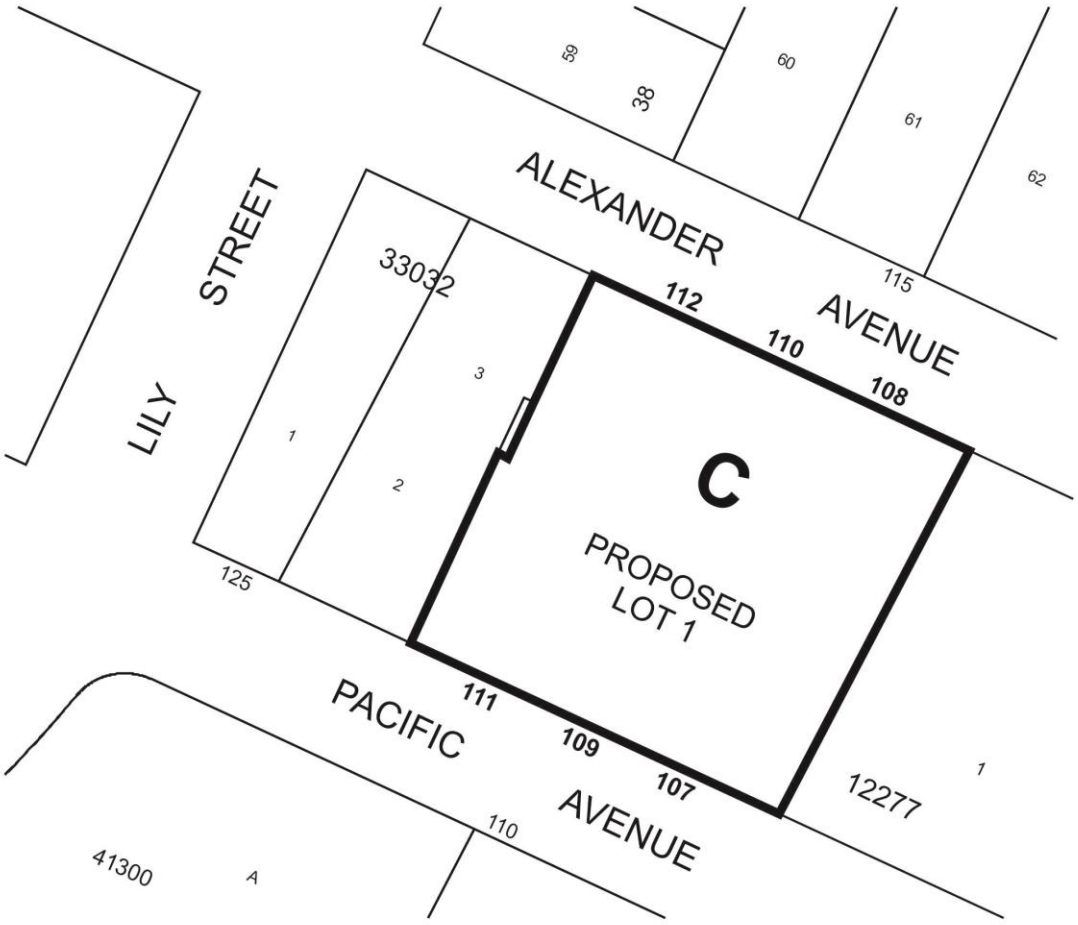
Explanation

An application for the approval of the plan of subdivision shown outlined below and for a proposed zoning change to By-law No. 100/2004 by rezoning the land located at 108 to 112 Alexander Avenue and 107 to 111 Pacific Avenue from a "Downtown Living" Sector to a "Character" Sector to facilitate the consolidation of lands for the establishment of a Brewery/Distillery/Winery use as shown outlined below.

Atlas Sheet No. **Z25**

N

LORD SELKIRK WEST KILDONAN COMMUNITY



THIRD READING : _____ EFFECTIVE DATE : _____

ZONING AGREEMENT : YES ☐ NO ☐ CAVEAT No. _____

Schedule 'B': Administrative Coordinating Group Servicing Agreement report

SCHEDULE B

REPORT OF THE ADMINISTRATIVE CO-ORDINATING GROUP – September 6th, 2017

RE: PROPOSED REZONING OF LAND LOCATED AT 108 TO 112 ALEXANDER AVENUE AMD 107 TO 111 PACIFIC AVENUE – DASZ 22/2017

An ACG meeting was held on September 6th, 2017 to review the servicing conditions for the proposed application. It was noted that the site is located within a combined sewer district and therefore the following condition needs to be satisfied:

The combined domestic wastewater and land drainage runoff peak flows cannot exceed combined domestic wastewater and land drainage runoff peak flows of the existing site.

It is strongly recommended that the applicant contact The City of Winnipeg Water and Waste Department to review this condition in more detail.

"Original Signed By G.V. Jasper P.Eng."

G.V. Jasper, P. Eng.,

Land Development Branch

"*Original Signed by M. Gajda P.Eng"*

M. Gajda, P. Eng.

Water & Waste Department

GVJ/gj