



**Department of Community Development Planning Division
Administrative Policy/Code Interpretation**

Request:

A proposal has been submitted to the City to open a new type of business for a retail sale outlet for craft beer and product sampling located in the Neighborhood Business (NB) Zone. The property is located at 3302 E. Lake Sammamish Parkway SE. This use and other similar uses are not specifically listed in the City's definitions or Zoning Use Table pursuant to Section 21A.20.070 Retail Land Uses. An interpretation is needed to properly classify these uses as related to typical retail sale of craft beer/small-batch wine outlets for off-site consumption, and associated on-site sale and consumption of craft beer/wine products. It is also the intent of this interpretation to determine under what conditions if any would be appropriate for this use to be located in the NB Zone.

In recent years renewed interest in craft brewing and distilling, as well as small-batch wine production, has prompted a desire for brewers to find locations suitable for retail sales and associated sampling of their products. According to data released by the Brewers Association (BA) of America, craft brewing is seeing significant growth nationwide surpassing 13 percent total market volume share. It's becoming increasingly clear that there is a demand for places that craft brewers and small-batch wine producers can bring their product that is made off-site and have it available on a retail basis.

Review & Findings:

Based upon the information provided, retail sales of craft beer and small-batch wine do not clearly fit into any of the listed land use classifications in Section 21A.20.070 SMC. It has been determined that this use has characteristics that are most equivalent to retail food & beverage stores which are defined as establishments primarily engaged in the retail sale of specialized foods and beverages (Industry Code #5499 Miscellaneous Food Stores). These specialized items frequently include health foods, spices, herbs, coffee, and tea. These establishments generally have special equipment (e.g., freezers, refrigerated display cases, refrigerators) for displaying food and beverage goods. They have staff trained in the processing of food products to guarantee the proper storage and sanitary conditions required by regulatory authority. Retail food & beverage stores primarily include retail sales for off-site consumption, with a secondary use of on-site sale and consumption of a product.

The use as a food and beverage store differs from other eating and drinking establishments in that the focus is on retail sales for off-site consumption. A drinking establishment (Industry Code #7224) is a business whose primary function is the serving of alcoholic beverages for consumption on the premises. Some drinking establishments may also serve food, or have entertainment, but their main purpose is to serve alcoholic beverages.

The use as a food and beverage store differs from liquor stores in that it focuses on a single product (craft beer made in small batches). Craft beer is typically made by relatively small, independently-owned commercial breweries that are focused on quality and flavor. A liquor store is a retail shop that sells prepackaged alcoholic beverages — typically in bottles — intended to

be consumed off the store's premises. These establishments are primarily engaged in multiple products including the retail sale of ale, beer, wine, and liquor. (Industry Code #5813).

An applicant for retail sales of craft beer or small-batch wine must complete a supplemental Business License Application through the Washington State Department of Revenue's Business Licensing Service. An existing licensed brewery or microbrewery may hold up to two retail licenses operated on or off the premises of the place of manufacture. As part of the review process, the retail application will go through the WSLCB licensing process prior to any sales of product being conducted.

The following findings in support of this interpretation are hereby made:

1. The characteristics of, and activities associated with, the proposed use are equivalent to those of one or more of the uses listed in the NB zoning district as allowable, and will not involve a higher level of activity or density and/or intensity than other uses allowed in the district.

The proposed use will be limited in hours of operation, and will not be permitted to provide cocktails or other alcoholic beverages that are typically served in drinking establishments. Hours of operation will include closing at 10:00 PM on weeknights and 11:00 PM on weekends. The unique nature of the business is equivalent to retail sales of specialized food and beverages, a use allowed outright in the NB zoning district.

2. The proposed use will meet the purpose/intent of the zoning district or NB designation that is applied to the site.

Pursuant to Section 21A.10.040 SMC, the intent of the NB zone is to provide convenient daily retail and personal services for a limited service area and to minimize impacts of commercial activities on nearby properties and in urban areas on properties with the land use designation of commercial outside of center, to provide for limited residential development. The products provided for retail sales are within the intended purpose of the NB zone.

3. The proposed use will be consistent with the goals, objectives, and policies with the City of Sammamish Comprehensive Plan.

The proposed use will be consistent with the following goals, objectives, and policies of the Sammamish Comprehensive Plan:

GOAL LUG-1: Create and maintain a small-town atmosphere.

LUP-1.1 The City shall encourage development that creates and maintains a safe, healthy and diverse residential community. The City should contain diverse affordable housing, reasonable employment opportunities, and should protect the natural environment and significant cultural resources.

LUP-1.3 The City shall implement a range of residential and non-residential use classifications:

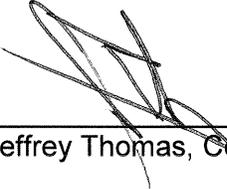
- b. Neighborhood Business: The purposes of the Neighborhood Business District are to provide convenient daily retail and personal services for a limited service area, to minimize the impacts of commercial activities on nearby properties, and to provide for limited residential development not to exceed R-8 density.*

Interpretation:

Pursuant to Pursuant to Section 21A.100.055 Sammamish Municipal Code (SMC), I have determined that the unlisted use of a retail craft beer outlet has operating characteristics and activities that are equivalent to a specialty retail food & beverage store, which is permitted in the Neighborhood Business (NB) zoning district. The primary focus is on retail sales of beverages for off-site consumption, and related business products. Operating characteristics of the use include limited hours, and beverage sales restricted to primarily the product made by the business owner. Further, the use of the property as a retail outlet for sale of beverages produced by the business owner are subject to Washington State licensing requirements and any relevant conditions. Therefore this unlisted use as a retail store for craft beer and product sampling is considered allowable as a permitted with conditions.

Conditions of Approval:

1. The owner shall limit hours of operation for this establishment specifically related to closing time. The subject establishment is limited to the following hours of operation: 11:00 a.m. to 10:00 p.m. daily, and 11:00 a.m. to 11:00 p.m. weekends.
2. The owner is limited to retail sale and sampling of products made primarily by Big Block Brewing Company as provided for in its license issued by the Washington State Liquor Control Board. On-site sampling shall be limited to typical beer tastings, ranging in size from 4 to 16 -ounce pours.
3. Any alteration / tenant improvement shall be permitted and inspected by the appropriate reviewing agency with jurisdiction prior to occupancy of the premises.



Jeffrey Thomas, Community Development Director

6-29-2015
Date



NOTICE OF ADMINISTRATIVE CODE INTERPRETATION
Department of Community Development Planning Division
Section 21A.20.070

Request

A proposal has been submitted to the City to open a new type of business for a retail sale outlet for craft beer and product sampling located in the Neighborhood Business (NB) Zone. The property is located at 3302 E. Lake Sammamish Parkway SE. This use and other similar uses are not specifically listed in the City's definitions or Zoning Use Table pursuant to Section 21A.20.070 Retail Land Uses.

Interpretation

Pursuant to Pursuant to Section 21A.100.055 Sammamish Municipal Code (SMC), the Director of Community Development has determined that the unlisted use of a retail craft beer outlet has operating characteristics and activities that are equivalent to a specialty retail food & beverage store, which is permitted in the Neighborhood Business (NB) zoning district. Therefore this unlisted use as a retail store for craft beer and product sampling is considered allowable as a permitted use with conditions in the Neighborhood Business (NB) district.

Conditions of Approval

1. The owner shall limit hours of operation for this establishment specifically related to closing time. The subject establishment is limited to the following hours of operation: 11:00 a.m. to 10:00 p.m. daily, and 11:00 a.m. to 11:00 p.m. weekends.
2. The owner is limited to retail sale and sampling of products made primarily by Big Block Brewing Company as provided for in its license issued by the Washington State Liquor Control Board. On-site sampling shall be limited to typical beer tastings, ranging in size from 4 to 16 -ounce pours.
3. Any alteration / tenant improvement shall be permitted and inspected by the appropriate reviewing agency with jurisdiction prior to occupancy of the premises.

Public Comment Period: No public comment period is required.

Project Location: Neighborhood Business (NB) Zone

Applicant: John Julum, Big Block Brewing Company

Public Hearing: A Public Hearing is not required for this interpretation.

Appeal Period: June 30, 2015 through July 21, 2015
(Appeals are heard by the Hearing Examiner)

Staff Member Assigned: Chris Hankins
City of Sammamish Community Development
Code Compliance Officer
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Inquiries regarding the interpretation, decision, and appeal process as well as requests to view documents pertinent to the proposal, including environmental documents may be made at the Sammamish City Hall at 801 - 228th Ave SE, Sammamish, WA 98075 (Tel: 425.295.0500) during normal business hours, Monday through Friday, 8:30 a.m. to 5:00 p.m.



Notice of Code Interpretation SMC 21B.20.080 & 21B.95.020

Interpretation Request: How should footnotes "3." and "8." of Sammamish Municipal Code (SMC) 21B.20.080 be reconciled in terms of the maximum area of allowed retail uses within the TC-B zone?

Is a TC-A zoned property limited in the number of contiguous TC-B zoned properties that it may transfer commercial development under SMC 21B.95.020(2)(c)?

Director's Interpretation:

Generally retail uses in TC-B zone are limited to a maximum of 4,000 square feet each, consistent with footnote "3." of SMC 21B.20.080. In some circumstances, the director may authorize more than 4,000 square feet of retail floor area for each retail use on a TC-B zoned property, consistent with the factors established in footnote "8." of SMC 21B.20.080.

In some circumstances the director may authorize a TC-B zoned property to include up to 20 percent of the adjacent TC-A zoned property commercial square footage, consistent with the SMC 21B.95.020(2)(c). For example, a TC-B zoned property adjacent to a TC-A1 zoned property may include up to 20% of the 200,000 square feet of commercial space allocated to the TC-A1 zone.

Applicant: Department of Community Development (City initiated)

Public Comment Period: No public comment period is required.

Project Location: Town Center A and B (TC-A and TC-B) zones

Public Hearing: A Public Hearing is not required for this interpretation.

Appeal Period: **July 7, 2014 through July 28, 2014**
(Appeals are heard by the Hearing Examiner)

Staff Member Assigned:

Evan Maxim, Senior Planner
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