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## Memorandum

**To:** Mayor & Council  
**From:** Dave Reynolds  
**Re:** Agenda Item: Consider Ordinance TC 2024-01 Allowing Micro Brewing in the C-1 Zoning District  
**Date:** 2/20/24

**Purpose:**

The purpose of this Agenda Item is to consider Ordinance TC 2024-01 on second reading.

During a regular Town Council meeting held on February 6, 2024, Town Council voted 5 – 2 in favor of adding the limited and defined Micro Brewery operations as a new permitted use in the Downtown C-1 Zoning District. During the first reading of this item, Council and staff discussed the proposed definition of “Micro Brewery”, reviewed concerns regarding safe water discharge, and discussed how Micro Brewing businesses might be assessed appropriate water and sewer tap fees.

In general, Council agreed that adding Micro Breweries as a permitted use was an acceptable idea. Council did however express concerns about the cost of tap fees and how those fees might affect new businesses. Following the first reading, staff conferred with our Town Attorney and discussed what flexibility may be available related to tap fees as well as what elements of tap fee charges are not flexible. In response to voiced concerns, staff has is suggesting the addition of greater detail in the Ordinance to better memorialize the mathematical formulas used to determine the EQR and Tap Fee basis for Micro Brewing businesses. Staff will explain the suggested changes along with recently learned limitations related to how tap fees must be assessed to each new water user.