
TO: CITY MANAGER **DATE:** 2016 February 17

FROM: DIRECTOR PLANNING AND BUILDING **FILE:** 46000 06
Reference: Liquor Licence - General

SUBJECT: PROVINCIAL LIQUOR POLICY CONSULTATIONS

PURPOSE: To provide Council with information on proposed changes to Provincial liquor policy.

RECOMMENDATION:

1. **THAT** a copy of this report be sent to the Union of British Columbia Municipalities (UBCM) at Suite 60 - 10551 Shellbridge Way, Richmond, BC, V6X 2W9, as the City submission of comments on proposed Provincial liquor policy Changes.

REPORT**1.0 BACKGROUND INFORMATION**

On 2016 January 18, staff was requested by Council to review and report on the Union of British Columbia Municipalities (UBCM) news release advising that the Province is accepting feedback until 2016 February 05 from local governments on three liquor policy issues: changes to manufacturer's endorsements; a new parallel process for Liquor Primary (LP) and similar applications; and new policy related to LP clubs. These changes are based on recommendations made in the *Liquor Policy Review Final Report*, which was released in 2014 January and seeks to modernize liquor laws in British Columbia. The deadline for feedback on these changes was extended to 2016 February 19. This report outlines the proposed changes and provides an overview of policy implications for Burnaby.

2.0 CHANGES TO MANUFACTURER'S ENDORSEMENTS

Any company making spirits, wine, cider, or beer is required to have a manufacturer's licence from the Liquor Control and Licensing Board (LCLB). Under the manufacturing licence, manufacturers may set aside a sampling room to provide samples, apply for an on-site retail store, or apply for additional lounge, special event area (SEA), tour, and picnic area "endorsements." These endorsements would generally be permitted in Burnaby as an accessory use to the principal manufacturing use, subject to Zoning Bylaw and other municipal regulations. The proposed amendments to manufacturing endorsements are discussed below.

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2.1 Consumption Areas

Existing Condition and Proposed Change

Consumption areas related to manufacturers' endorsements are currently clearly delineated, and temporary points of sale (i.e. kiosks) are currently only permitted off-site at qualifying markets which meet specific LCLB requirements. The Province is proposing to allow manufacturers to designate their property as one consumption area for picnicking, touring, sampling, and temporary points of sale.

Tour area endorsements permit patrons to consume product samples or purchased products while on an indoor or outdoor tour of the premises. Tour areas are currently delineated at the time of licensing with a separate application, and the tour area must meet certain assessment criteria. Local government approval is not required. In order to increase tour flexibility, the Province is proposing to remove the requirement for a separate tour area application and permit tours to operate anywhere within the site consumption area, though the LCLB notes it will take nearby residents into consideration when determining the site's consumption area.

Potential Implications for Burnaby

Manufacturers of alcohol beverages are permitted in the M2 General Industrial and M3 Heavy Industrial Districts. Indoor tour areas, sampling, and temporary points of sale are also permitted in the M2 and M3 Districts as an accessory use. The Provincial proposal to extend the indoor consumption areas as an accessory use and permitting indoor tour areas without a separate application would have minimal land use implications for sites in Burnaby. Picnic areas, outdoor tour areas, and outdoor temporary points of sale would be permitted in the M3 District only as an accessory use. Permitting and extending the consumption area for outdoor endorsements and permitting outdoor tour areas without a separate application to the LCLB could potentially create land use conflicts in Burnaby, such as the outdoor consumption of alcohol adjacent to other sensitive land uses.

Assessment

Based on the above, Planning staff have no objection to the proposed changes as they pertain to indoor endorsements. However, the proposals to extend consumption areas for outdoor endorsements and permit outdoor tour areas without a separate application are potentially problematic and should be subject to local government input prior to issuance of Provincial authorization. In addition, the LCLB should consider nearby residents when determining the site's consumption area at the time of licensing. Where there are no nearby residents, the LCLB should also consider local government input on existing and future land uses to help determine if there will be any conflict.

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2.2 Service in Lounges and Special Event Areas (SEAs) of up to 20% of Liquor by Other Manufacturers

Existing Condition and Proposed Change

Lounges are areas within or adjacent to a licensed manufacturing facility where patrons may purchase and consume liquor products, while a SEA is an indoor and/or outdoor area on the manufacturing site where patrons may purchase and consume liquor products during special events such as wine tasting events, weddings, or concerts. Manufacturers may apply to the LCLB for a lounge or SEA endorsement; both lounge and SEA endorsements are subject to local government comment. Since 2015 July, the Province has permitted, as an interim measure, up to 20% of liquor served in lounge and SEA endorsement areas be produced by other manufacturers. The Province is proposing to make this interim measure permanent.

Potential Implications for Burnaby

Lounge and SEA endorsements would be permitted as an accessory use in the M2 and M3 Districts. As applications for these endorsements are subject to local government input, and the permitted service of 20% of liquor produced by other manufacturers is considered minimal relative to the service of alcohol produced on the premises, this proposed change is anticipated to have minimal land use implications.

Assessment

There is no objection to the permitted service of 20% of liquor produced by other manufacturers.

2.3 Amplified Sound Outside of a Lounge or Special Event Area (SEA) Endorsement for Manufacturing Sites

Existing Condition and Proposed Change

The Province is proposing that a lounge or SEA endorsement be required for amplified sound outside the manufacturing premises. A lounge and SEA endorsement for amplified sound outside would require local government input.

Potential Implications for Burnaby

Lounge and SEA endorsements would be permitted as an accessory use in the M2 and M3 Districts, while an outdoor lounge or SEA endorsement would be permitted as an accessory use in the M3 District only. Given that local government input would be required for a lounge or SEA endorsement for amplified sound outside, potentially negative implications, such as noise impacts on adjacent uses, could be addressed by the Provincial response to local government comment.

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Assessment

There is no objection to the proposed change.

2.4 Maximum Capacity of Outdoor Special Event Area (SEA) Endorsement for Manufacturing Sites

Existing Condition and Proposed Change

Outdoor SEA endorsements may currently encompass a large outdoor area, with no maximum capacity required. As indicated above, all SEA endorsements require local government input. The Province is proposing that a maximum capacity for the outdoor area of a SEA be provided at the time of application.

Potential Implications for Burnaby

A SEA endorsement for an outdoor area would be permitted, subject to local government input. Given that local government input is required for a SEA endorsement, requiring a maximum capacity for outdoor SEA areas, at the time of application, will assist in local government and LCLB evaluation of SEA proposals.

Assessment

There is no objection to the proposed change.

3.0 Proposed New Parallel Process

Existing Condition and Proposed Change

New Liquor Primary (LP) applications, LP relocations, and manufacturers wanting a lounge or SEA endorsement currently apply to the LCLB prior to seeking local government input. In order to streamline the application process as per the *Liquor Policy Review*, the Province is proposing a parallel application process whereby the LCLB portion of the application is processed concurrently with the local government portion of the application. Specifically, the application would come to the local government for signature of receipt before being submitted to the LCLB. Once the application has been signed, the local government has 90 days to provide comment. If more than 90 days are required to provide comment, written requests for an extension can be submitted to the LCLB.

This proposed parallel process is similar to the current process for other liquor-related applications that require local government input – i.e. Food Primary (FP) applications for patron participation past midnight, hours of liquor service past 2 am, or hours of liquor service past 12 midnight if there is a patio; or LP applications for changes to hours of liquor service or patron capacity, entertainment, or patios.

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Potential Implications for Burnaby

It is not anticipated that this proposed change would have any significant implications, as local government input would still be required for the relevant applications. This streamlined process requires, however, applicants to submit a final floor plan with an occupant load stamp issued by the local government to the LCLB. Depending on the application, the occupant load stamp is currently not provided until Council resolution is provided. Some process change may be necessary for obtaining early indications of occupant load – for example, stamping the plans with a “preliminary” maximum occupant load prior to the application being submitted to the LCLB.

Assessment

Given that local government input would still be required and that the parallel process is already in place for other liquor licence applications, there is no objection to the proposed change to a parallel process for new LP applications, LP relocations, and manufacturers wanting a lounge or SEA endorsement.

4.0 Changes to Liquor Primary Club Licenses

Existing Condition and Proposed Change

Liquor Primary (LP) clubs are private clubs, such as legions, that are licensed to serve liquor to members and their guests. New LP club licences and applications for changes to hours of liquor service or patron capacity, entertainment, or patios require local government input. Following recommendations of the *Liquor Policy Review*, the Province has consulted with LP club licensees to determine if there is interest in repealing the LP club designation and reclassifying the licence as a Food Primary (FP) or LP licence. As a result of these consultations, the Province has presented two options to change LP club licences: option #1 would maintain the club licence but remove restrictions regarding membership and outside catering; option #2 would transition clubs to regular LPs but grandparent special privileges such as “locker privileges,” which allow members to store liquor in a personal storage space, and “green lined” areas, which allow the club to have liquor free or Special Occasion Licensed events. In both options presented by the Province, LP club establishments would be able to serve the general public, however in option #2, the licence, but not the special privileges, would be transferable to a new operator or licensee.

Potential Implications for Burnaby

The following five LP club licences are located in Burnaby and are permitted as “liquor licence establishments,” which are defined as establishments “selling or dispensing liquor for which an LP licence or an LP club licence is required”:

- Royal Canadian Legion at 5289 Grimmer Street (100 seats);
- Royal Canadian Legion at 4356 Hastings Street (425 seats);
- Burnaby Winter Club at 4990 Canada Way (190 seats);

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- Portuguese Canadian Seniors Foundation at 5455 Imperial Street (225 seats); and,
- Scandinavian Community Centre at 6540 Thomas Street (274 seats).

The Royal Canadian Legion on Grimmer Street was approved as part of a mixed-use rezoning which considered the special nature of the site's pre-existing LP club license. Similarly, the Royal Canadian Legion on Hastings Street is currently the subject of a mixed-use rezoning application (Rezoning Reference #12-11 received Third Reading on 2015 September 28) which also considers the nature of the pre-existing LP club licence. The other three LP clubs are all located on CD (P2) zoned property. In all five instances, the proposed changes to the licenses have the potential to change the nature of the liquor establishment by creating non-club LP seats (i.e. LP seats without existing LP club restrictions).

Assessment

Given the potential change in the nature of the LP club licences, the change for each venue should be subject to local government review and input so that the change to non-club LP seats can be assessed on a case-by-case basis and treated as an amendment to a licence.

5.0 SUMMARY

This report provides Council with an overview of proposed changes to Provincial liquor policy as outlined in the UBCM news release and an assessment of potential impacts on Burnaby. As described above, the changes relate to manufacturer's endorsement areas, a new parallel process for Liquor Primary (LP) and similar applications, and new policy related to LP clubs. While some changes are considered minor, others have potential local implications and should require local government input as part of the proposed revised approach. It is recommended that this report be provided to the UBCM as Burnaby's input to the review of proposed changes to Provincial liquor policy.



Lou Pelletier, Director
PLANNING AND BUILDING

LS:spf

cc: Director Finance
Director Engineering
O.I.C. – R.C.M.P.
Chief Building Inspector
Chief Licence Inspector
City Solicitor