



ADMINISTRATIVE REPORT

Report Date: June 10, 2014
Contact: Jane Pickering
Contact No.: 604.873.7456
RTS No.: 10237
VanRIMS No.: 08-2000-20
Meeting Date: July 8, 2014

TO: Vancouver City Council
FROM: General Manager of Planning and Development Services
SUBJECT: Report Back on Brewery and Distillery Lounges

RECOMMENDATION

THAT this report be received for information.

REPORT SUMMARY

In July 2013, Council approved amendments to the Zoning and Development By-Law to allow a lounge use accessory to a brewing or distilling use to a maximum size of 80 m² and to be wholly contained within the primary building. The amendment was made to the industrial districts where brewing and distilling as a manufacturing use is permitted. At that time, Council requested that staff monitor the development of lounges and report back in a year with an evaluation of the success of the program against expected outcomes. This report provides an evaluation, including feedback from the Vancouver Police Department (VPD) and the liquor manufacturing industry.

Since July 2013, eight (5 breweries and 3 distilleries) of the sixteen liquor manufacturers operating in the City have received Provincial approval for a lounge. Seven additional brewery/distillery lounge applications are currently under review with the Province. To date, no requests for special event area endorsements have been received.

Generally, the brewery and distillery lounges have been operating in compliance with City and Provincial regulations, and respectfully within their neighbourhoods. Feedback received from the local liquor industry has been positive. There is consensus that lounges have helped foster a greater sense of community and made small craft breweries and distilleries more economically sustainable by providing an additional source of revenue.

As the City's brewery and distillery lounges have generally been operating successfully within existing regulations, no changes are being considered at this time.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

On July 9, 2013, Council enacted amendments to the industrial districts of the Zoning and Development By-law to allow lounge use accessory to a brewing or distilling use, to a maximum size of 80 m², and wholly contained within the principal building. Council requested a report back in one year with evaluation of the success of the program against expected outcomes.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The General Manager of Planning and Development Services submits this report for information.

REPORT

Background/Context

On March 1, 2013, the Province enacted legislative changes allowing brewery and distillery manufacturers to apply for a lounge and/or special event area endorsement where liquor produced on-site can be purchased and consumed with fewer restrictions.

In July 2013, in response to the Provincial changes, Council enacted amendments to the Zoning and Development By-Law permitting breweries or distilleries to accommodate an accessory lounge at a maximum size of 80 m² and contained entirely within the principal manufacturing building. Lounges are permanently-designated areas for the consumption of liquor produced on-site, and as a condition of their manufacturing business license, are restricted to operating between 9 am to 11 pm. Council also supported special event area endorsements with a restriction of two special events per month per building. Special event area endorsements permit liquor consumption during special events, such as wedding receptions, and can run beyond permitted lounge hours.

Strategic Analysis

Existing Brewery and Distillery Manufacturers and Lounges

The table below illustrates that of the sixteen existing liquor manufacturers operating in the City, five breweries and three distilleries have received Provincial approval to convert their tasting room to a lounge. All of these tasting rooms were under the 80 m² maximum permitted lounge size.

Existing Brewery and Distillery Manufacturers and Lounges		
Type of Manufacturer	# of Existing Liquor Manufacturers	# of Provincial-approved lounges currently operating
Brewery	13	5
Distillery	3	3
Total	16	8

There are also seven additional applications for brewery/distillery lounges under review with the Province.

The map in Appendix A shows the location of the existing brewery and distillery lounges in the city.

Zoning and Licensing Compliance

Generally, brewery/distillery lounges have been operating in compliance with city and Provincial regulations over the past year. The Vancouver Police Department (VPD) reports few concerns with existing brewery and distillery lounges. A few minor non-compliance issues, such as noise, overcrowding and the non-availability of food, have required some minimal enforcement to bring operators into compliance.

No issues concerning customer parking were noted.

Liquor Manufacturing Industry Feedback

Feedback from local liquor manufacturers on lounges was solicited. The responses received have generally been positive, confirming that lounges have improved product recognition, helped attract more customers and enhanced a sense of community. Some suggestions to expand the program were noted and will continue to be monitored.

Special Event Area Endorsement

Over the past year, there have been no requests for a special event area endorsement from existing breweries or distilleries.

CONCLUSION

Over the past year, existing brewery and distillery lounges in the City have generally been operating in compliance with existing regulations and only minimal enforcement has been required for a few businesses. The brewery and distillery industry indicates the program has been a success, improving their economic sustainability and sense of community. As a result, no regulatory changes are proposed at this time.

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