



**POLICY REPORT  
LICENSING**

Report Date: June 7, 2017  
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Meeting Date: June 14, 2017

TO: Standing Committee on City Finance and Services  
FROM: General Manager, Development, Buildings and Licensing  
SUBJECT: Liquor Policy Review - Recommended Actions

***RECOMMENDATION***

- A. THAT Council adopt the recommendations as outlined in the “Maintain Existing Downtown Eastside Liquor Policy Direction” section, and direct staff to implement.
- B. THAT Council adopt the recommendations as outlined in the “Adjust Granville Street/Granville Entertainment District to reduce problems” section, and direct staff to implement.
- C. THAT Council adopt the recommendations as outlined in the “Expand General Public Health Interventions” section, and direct staff to implement.
- D. THAT Council adopt the recommendations as outlined in the “Allow liquor sales in select non-traditional businesses” section, and direct staff to implement.
- E. THAT Council adopt the recommendations as outlined in the “Enhance Patio Culture” section, and direct staff to implement.
- F. THAT Council adopt the recommendations as outlined in the “Expand Live Entertainment in Restaurants” section, and direct staff to implement.
- G. THAT Council adopt the recommendations as outlined in the “Support Liquor Manufacturers” section, and direct staff to implement.
- H. THAT Council adopt the recommendations as outlined in the “Support Liquor in Grocery Stores” section, and direct staff to implement.

- I. THAT Council adopt the recommendations as outlined in the “Formalize Restaurants that operate as bars in evening hours” section, and direct staff to implement.
- J. THAT Council adopt the recommendations as outlined in the “Streamline and Clarify Procedures” section, and direct staff to implement.
- K. THAT Council instruct the Director of Legal Services to bring forward for enactment amendments to the By-laws as set out in Appendix C.

### **REPORT SUMMARY**

Liquor licensing and regulation are the purview of the Province of British Columbia. However the City of Vancouver has authority to maintain by-laws, policies and guidelines to regulate businesses that manufacture, retail and serve liquor in Vancouver. This policy review is intended to assess the existing by-laws, policies and guidelines which have been modified and adjusted over time to reflect evolving needs and issues, and to respond to recent provincial directives amending liquor regulation. Included in the review are assessment and recommendations on two liquor licence moratorium areas, the Granville Entertainment District (GED) and the Downtown Eastside (DTES).

City staff conducted significant public and key stakeholder consultation, identifying diverse priorities and opportunities to shape an updated liquor policy framework. Based on the themes heard, paired with research and analysis conducted by staff and other partners such as Vancouver Coastal Health, staff developed the following three goals to inform the City’s liquor policy updates:

1. Protect health, safety and community livability
2. Foster creativity, community connection and local economy
3. Ensure effective and efficient regulatory framework

Based on analysis and review by a cross-department steering committee, 32 recommendations are put forward in this report. Highlights include generally maintaining the moratoria in the Downtown Eastside and Granville Entertainment District, piloting a “last entry” hour program along Granville Street, enabling grocery stores to sell liquor under certain conditions, considering applications for liquor sales in arts and culture based establishments, and requiring liquor establishments to publish drink sizes and strengths on their menus. Recommendations also support strengthening public education and enforcement, which rely on partnerships with Vancouver Coastal Health, the provincial Liquor Control and Licensing Branch (LCLB), Vancouver Police Department, and others, to implement.

### **COUNCIL AUTHORITY/PREVIOUS DECISIONS**

November 19, 2009: Council created what is referred to as the GED moratorium in the 700-900 blocks of Granville street. This moratorium extended and renamed the existing moratorium per the 1996 Theatre Row Licensing Policy. In 2009 Council directed:

THAT City staff, through consultation with stakeholders including the Vancouver Police Department, provide a Report Back to Council on the impact of adding more Liquor Primary seats to the Granville Entertainment District; and

FURTHER THAT in the interim to receiving this report, Council will not consider further applications to convert Food Primary liquor licensed premises to Liquor Primary licensed premises in the Granville Entertainment District.

March 15, 2014: Council extended the 2012 Interim Liquor Policy for the Downtown Eastside until a Liquor Policy Review for the area could be completed as part of a city wide liquor policy review.

December 16, 2015: Council heard staff recommendations that responded to Provincial changes in liquor licence regulation, specifically: changes to allow liquor in grocery stores, and liquor retail at artisans markets. Council deferred both items to the city wide liquor review process that was underway. Also at that meeting, staff were directed to consider a licence and fee structure for liquor manufacturers' lounges and to bring forward recommendations.

#### ***CITY MANAGER'S/GENERAL MANAGER'S COMMENTS***

The City Manager and the General Manager of Development, Buildings and Licensing recommend approval of the foregoing.

#### ***REPORT***

##### ***Background/Context***

This policy report presents recommendations arising from a city wide review of liquor related policy. The recommendations aim to update and streamline city-wide policies, and to update liquor policies for the Downtown Eastside (DTES), and the Granville Entertainment District (GED).

The City's liquor related policies, guidelines and by-laws have been adjusted and amended on an as needed basis over several decades. These adjustments have been in response to provincial regulatory changes, to changes in local conditions, and to evolving industry and public expectations. This approach has satisfied, at a general level, the objectives of protecting public health and safety and enabling responsible business practices. At the same time it has resulted in policies, guidelines and by-laws that unevenly reflect City priorities and long term goals, can have variable outcomes in terms of community impact, and can be complicated for businesses and the general public to navigate.

Further, since 2014 the provincial Liquor Control and Licensing Branch (LCLB) has been issuing directives to amend liquor regulations. The directives arise from the recommendations of the provincial Liquor Policy Review (*BC Liquor Policy Review Final Report, 2014*). Of fifty-five directives issued to date, fifteen regulatory changes have implications for current City policy. Three of these changes were accommodated without a need for City policy or by-laws changes. Of the remaining twelve changes, the City has responded to one with a by-law change: in 2015 the Zoning By-law was amended to allow local manufacturers to retail their liquor at farmers markets. A full list of the LCLB directives and their applicability to City

policy are in Appendix A. For the liquor policy review, City staff have identified opportunities for additional responses to provincial changes.

The DTES and the GED have each been under a moratorium on new liquor primary establishments, and against additional patron capacity for several years. A moratorium on the Oppenheimer District (a sub-area of the DTES) was instituted in 1990 and expanded to include the whole of the DTES in 2012. The GED moratorium has been in place since 2009. The aim of the moratoria has been to limit the social and public health harms experienced in connection with the high concentration of liquor retail and service in these areas. As directed by Council, staff have examined implications of changes to each of these moratoria.

In addition to responding to recent changes in provincial liquor policies, there are a number of other factors driving this proposed policy update. First, although many Canadians accept liquor as part of socializing, celebration, and sports and culture events, there is a growing body of evidence that liquor consumption, even at moderate levels, can have social and public health harms. Harms are experienced in both the immediate and longer term,<sup>1</sup> and these harms tend to have a disproportional impact on vulnerable populations. With input from Vancouver Coastal Health, Vancouver Police, and other partners, the City factored the latest data into this report.

Given liquor can impact social and public health outcomes, liquor policy should align with the priorities and goals of the Healthy City Strategy. In assessing policy options and developing recommendations staff considered compatibility with the principles of the Healthy City Strategy, including:

- Health and well-being for all where initiatives pursued are universal for all citizens and focused on specific populations most vulnerable to health inequalities (principle 3)
- Prevention of poor health rather than crisis interventions (principle 4)
- Action based on evidence (principle 9)
- City leadership and modelling through its own operations (principle 11)

## **CURRENT LIQUOR POLICY FRAMEWORK**

Liquor licensing and regulation are the jurisdiction of the Province of British Columbia, through the Liquor Control and Licensing Branch (LCLB). The LCLB determines licence types (liquor manufacturing, retail and service); it establishes the licence approval process (including when local government input is required); and sets operational requirements such as maximum service hours, overserving, training, advertising, and drink prices. The LCLB solicits input from the City (support or non-support) on applications for liquor licences to operate in Vancouver. LCLB is also principally responsible for enforcement of liquor licence compliance.

Under the Vancouver Charter the City can set conditions on the business licences it issues to liquor manufacturers, retailers and service establishments. These conditions include hours of operation, hours of liquor service within establishments (for example, in restaurants), and requirements for staff training, patron management and noise restrictions. The City also

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<sup>1</sup> The Chief Public Health Officer's Report on the State of Public Health in Canada 2015, Alcohol consumption in Canada. 2016

determines locations in which liquor retail, manufacture and service establishments will be permitted, and it sets criteria for distancing between liquor establishments.

The City can request conditions be specified on the LCLB liquor licence, for example hours of operation that are shorter than the maximum set by the province. In general, the LCLB does not issue liquor licences unless they are supported by the City, and City conditions requested by the City are included on the licence.

### ***Liquor Licence Types***

Liquor-serving establishments in Vancouver operate under LCLB issued liquor licences and City issued business licences:

- **FP:** Restaurants that serve liquor have 1) a provincial *Food Primary* (FP) liquor licence, and 2) a *restaurant with liquor service* licence from the City. The FP liquor licence requires that minors be allowed into the establishment and that a full kitchen menu is available during all hours of liquor service.
- **LP:** Bars, pubs, and nightclubs operate under provincial *Liquor Primary* (LP) licences, and hold *liquor establishment* business licences with the City. The LP licence does not allow minors, and food service is not required.
- **Other:** Liquor manufacturers' tasting rooms operate under 1) a provincial *lounge endorsement*, and operate under 2) a *manufacturers'* business licence with the City. Under the provincial lounge endorsement, food service is required.

The City provides input on LP licence applications to the LCLB. It should be noted that when the City comments on new LP applications, it may choose to support applicants provided they meet criteria specific to the proposed location of the business. The City's two existing moratoria apply only to LP licences.

The location of liquor establishments is regulated by the City first through the Zoning by-law which determines land use (such as residential, commercial and industrial), and also through a set of distancing guidelines. The distancing guidelines aim for a diversity of liquor establishments based on size (occupant load) in any area (defined in the Liquor Licence Capacity and Location Policy and Guidelines).

### ***Liquor Retail Stores***

Liquor retail stores operate under Provincial liquor licences as either:

1. Liquor retail stores which may sell beer, wine and spirits (or any combination), and
2. VQA wine stores (21 licences currently in the province).

Liquor retail stores that sell beer, wine and spirits must not locate within 1 km of each other under Provincial rules. Liquor retail stores selling wine only, and the new wine-on-shelf special wine store licences (which may only be purchased at auction by eligible grocery stores) have no locational restrictions. The City has set its own liquor store location criteria (defined in the Liquor Store Guidelines) that sets location and distance limits on liquor retail near community and family services such as schools, parks, community centres, neighbourhood houses and churches. The guidelines limit liquor retail to be present only in Local Shopping Areas (LSAs) or general commercial areas, as determined through local area

planning processes. The general aim of the guidelines is that access to liquor retail is available to most residents within their neighbourhoods, and within walking distance. In fact, map analysis shows that 93 percent of Vancouverites live within a fifteen minute walk of a liquor retail store<sup>2</sup> (see Figure 2, pg 9).

## CONSULTATION

Liquor policy has implications for the social health and well-being of the general public and for sub-populations such as children and youth and people with addictions; it also has implications for local businesses and the local economy. Implications can be positive when policy enables social engagement, celebration, cultural events, and the freedom to make personal choices and innovative business decisions. They can be negative when policy fails to consider and mediate against the immediate, medium and longer term social and public health harms of liquor consumption. Because of these wide ranging implications, staff consulted broadly with the public and key stakeholders.

### Surveys

Public consultation comprised two online Talk Vancouver surveys and one random phone survey, as well as two pop-up City Hall appearances. The first Talk Vancouver survey aimed to learn how Vancouverites view existing liquor access, availability and impact in the city. The second Talk Vancouver survey and the random survey sought to assess public support for potential changes that might expand or limit access, but also mediate against its social and public health harms.

Respondents to the random survey were measured in their views on liquor access and impact. Of the five most strongly supported actions, four aimed to reduce negative impacts. Also in the top five: allowing art galleries to serve liquor and permitting wine sales in grocery stores (Table 1). A number of actions supported require more extensive exploration and collaboration with other organizations (for example changes to public transportation). This report limits recommendations to those that are specific to liquor policy and are within the purview of the City in the near term.

**Table 1: Random Phone Survey: Top supported liquor related actions**

Random Survey	
Rank	Liquor related actions
1	Request that public transportation be in operation out of downtown until 30 minutes after bar closing
2	Provide public washrooms and urinals in the GED and Gastown
3	Allow art galleries to serve liquor
4	Require liquor establishments to include small sized drink servings
5 (tie)	Require bars to locate a minimum distance away from drug and alcohol addiction treatment facilities
5 (tie)	Allow grocery stores to sell wine by the bottle

<sup>2</sup> COV Licence Data, 2013; StatsCan, 2011

The non-random survey yielded a different picture (Table 2). Among these respondents three of the top five supported changes expand access to liquor, one makes policy and rules easier to access, and another is a transportation related.

**Table 2: Non-random Talk Vancouver survey: Top supported liquor related actions,**

Non Random Survey	
1	Request that public transportation be in operation out of downtown until 30 minutes after bar closing
2	Allow art galleries to serve liquor
3	Allow manufacturers' lounges to expand seating capacity during events
4	Display city liquor policies online
5	Allow liquor service until midnight at liquor manufacturers' lounges

Detailed results for each survey can be viewed on the City's website, at the Liquor policy review page: <http://vancouver.ca/doing-business/liquor-strategy-survey.aspx>

Counting the general public's involvement in the Talk Vancouver and random phone surveys, almost ten thousand residents participated in the process. In acknowledgment that these participants took time to prepare feedback, staff considered it carefully, and it informed the policy recommendations contained in this report.

### ***Key Stakeholder Meetings***

Key stakeholder engagement took place over three rounds of meetings. Staff met with representatives and members of the service industry (bars, restaurants), the manufacturing industry (brewers, vintners and distillers), artists, musicians, medical health officers, addictions experts, members of the Vancouver School Board, harm reduction advocates, recovering addicts, interested citizens, the tourism sector, Business Improvement Associations and others. Indigenous voices were represented at two meetings.

Stakeholder priorities for liquor policy are diverse. Liquor industry members emphasised the importance of clear, consistent policies. For many, expanded business opportunities (through longer hours and more locations) are a priority. Health, policing and education experts expressed concerns with high levels of regular consumption among the general population, youth drinking, overconsumption, binge drinking and long term health consequences; they recommended a cautious, evidence-based approach to liquor policy.

Vancouver Police report that areas with high numbers of liquor primary seats (for example Gastown) correspond with increased calls for police service. In many cases, incidents involve liquor: assault (including domestic and sexual), breach of peace (e.g. fighting), impaired driving and resultant accidents, and disturbances (noise, vandalism).

See Appendix B for additional information regarding engagement.

## **RESEARCH**

City staff consulted local data and research findings to better understand the current state of liquor access and impacts in Vancouver. To improve understanding of broader economic and social impacts from liquor, staff consulted national and international data and research findings.

## **Key Findings**

### **Liquor may be a net cost to the public**

Liquor is generally perceived as a highly-taxed commodity. Indeed Canadian liquor taxes are higher than in some American or European jurisdictions; however, data from 2002 found that the government of BC spent \$60 million more annually on liquor-related public costs (health care, policing) than it collected in liquor-based taxes<sup>3</sup>. This research is now too old to be considered valid with certainty, but it serves as an indicator that liquor today might still be a net drain on public resources.

### **Heavy, but even moderate liquor consumption result in harms<sup>4</sup> to individuals and communities.**

Harms include:

- disease: cancers, cirrhosis, fetal alcohol effect/syndrome
- accidents: driving, falls, burns
- social harms: violence, self-harm, relationship breakdown, job loss, crime
- nuisances: vandalism, noise, public urination and vomiting

Despite liquor's addictive qualities and direct relationship to harms, many people moderate their consumption, drink responsibly at social or cultural events, and take responsible transportation measures.

### **Local liquor policy can affect public good**

The City can regulate hours, locations, size, operational procedures and many other aspects of liquor-related uses to promote health, safety and community fit. For example, a recent evaluation confirmed the relationship between the close proximity of liquor availability (retail and on-premises) and frequent bingeing among Vancouver residents<sup>5</sup>. This means that liquor policies about the location and number of liquor outlets can play a role in reducing (or increasing) problematic drinking.

### **Current State of Access to Liquor in Vancouver**

Vancouver has widespread access to liquor. Liquor can be purchased from local manufacturers, from liquor retail stores, and at restaurants and bars (Figure 1)

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<sup>3</sup> Kendall, 2008. "Public health approach to alcohol policy reform."

<sup>4</sup> A 2010 study published in The Lancet ranked alcohol more harmful (individually and societally) than heroin and crack cocaine: [http://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(10\)61462-6/abstract](http://www.thelancet.com/journals/lancet/article/PIIS0140-6736(10)61462-6/abstract)

<sup>5</sup> Vancouver Coastal Health, 2016. The study controlled for age, gender, income, and ethnicity, and concluded that Vancouverites who live within 250 m of a liquor store or 150 m from a liquor-serving establishment are more likely to binge drink (compared to people who live farther away).

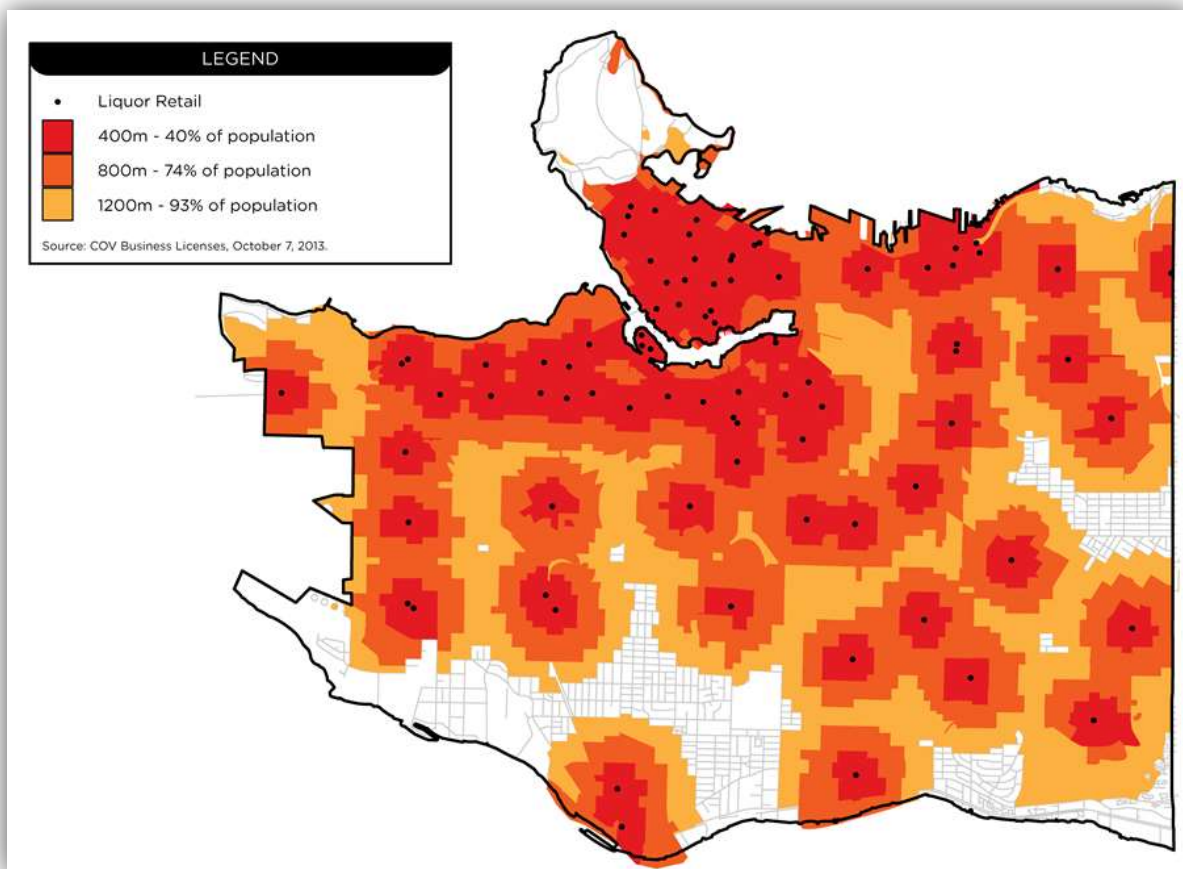




**Figure 1: Number of liquor retail and service establishments in Vancouver, 2014**

Source: COV Business licences 2014

As referenced earlier, 93 percent of Vancouverites live within a fifteen minute walk of retail liquor store, and an even shorter distance from at least one liquor-serving establishment (Figure 2).

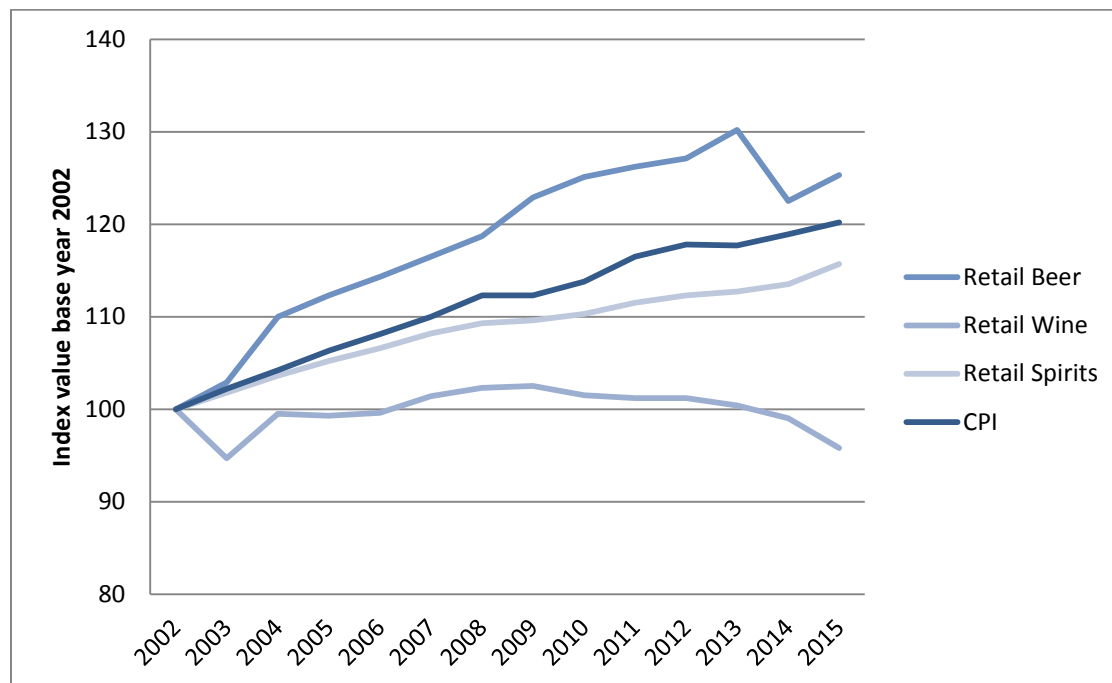


**Figure 2: Proximity of Vancouver residents to liquor retail store**

Source: COV Business Licences, 2013; Statistics Canada, Census 2011

### Greater availability and lower prices result in higher levels of liquor consumption

Health policy experts cite a large body of research to support the relationship between availability/price and consumption<sup>6</sup>. In Vancouver, the availability of liquor has risen and prices of spirits and wine have fallen relative to general inflation. The availability of liquor in retail or on-premises (e.g. bars, restaurants) has grown rapidly. The number of liquor seats per capita in Vancouver has grown by 27 percent since 2003<sup>7</sup>, while retail liquor stores have increased in number by 20 percent since 2007<sup>8</sup>. At the same time the retail prices for wine and spirits (but not beer) have fallen relative to inflation, as demonstrated in Figure 3. During a similar time frame (2002-2011) Vancouverites' per capita liquor consumption increased by nearly ten percent<sup>9</sup>.



**Figure 3: Relative price changes by type of liquor**

<sup>6</sup> Studies include:

Babor TF, Caetano R, Casswell S, Edwards G, Giesbrecht N, Graham K, et al. Alcohol: No Ordinary Commodity: Research and Public Policy: Research and Public Policy: OUP Oxford; 2010.

Stockwell T, Zhao J, Martin G, Macdonald S, Vallance K, Treno A, et al. Minimum alcohol prices and outlet densities in British Columbia, Canada: Estimated impacts on alcohol attributable hospitalisations. Am J Public Health. 2013:e1-e7. Epub April 18, 2013.

Zhao J, Stockwell T, Martin G, Macdonald S, Vallance K, Treno A, et al. The relationship between minimum alcohol prices, outlet densities and alcohol-attributable deaths in British Columbia, 2002-09. Addiction. 2013;108(6):1059-69.

<sup>7</sup> LCLB Data (2016) and Planning Department (2016). During this period FP/capita seats grew by 38%, while LP/capita seats grew by 19%. See Data - Licences - 2003-2016.xls

<sup>8</sup> Vancouver Business Licence data, 2016.

<sup>9</sup> CARBC, 2011. Total absolute alcohol sales (used as a proxy for consumption). Units are converted to total alcohol content.

## **Recommendations**

### **LIQUOR POLICY REVIEW GOALS**

Based on research and stakeholder feedback, staff recommend a City of Vancouver liquor strategy that strikes a balanced approach to refresh liquor policies in order to enable safe, smart drinking choices and support the City's overarching goals; and that achieves a net positive impact to the City, "dialing up" in some areas, and "dialing down" in others.

To frame and structure the policy recommendations, staff developed three liquor policy goals:

## Liquor Policy Goals



#### **Goal 1: Protect health, safety and community liveability**

Policy that protects health, safety and community livability: enables wise choices; encourages safe practices; increases compliance; aims to reduce social and public health harms associated with liquor; maintains and enhances community livability

#### **Goal 2: Foster creativity, community connection and local economy**

Policy that supports live performance venues, art and cultural events; fosters community connection through placemaking such as enabling patios; fosters local economy by enabling local businesses such as breweries and distilleries

#### **Goal 3: Ensure effective and efficient regulatory framework**

Policy that provides consistent rules and efficient processes for the local businesses; builds industry confidence in the regulatory system; streamlines processes; clarifies and simplifies rules

These goals reflect current City priorities and align with the Healthy City Strategy (2014) as well as the DTES Plan (2014). The goals and recommendations have been developed in coordination with other related (forthcoming or work-in-progress) initiatives such as a patio program review, the the Culture Plan and Cultural Facilities Priorities Plan, Great Spaces and Places, and Citycore 2050.

This report makes 32 recommendations which aim to update the City liquor policy in a balanced manner. In taking a balanced approach, staff recommend maintaining the fundamental structure of the current liquor policy framework, including distancing and Local

Shopping Area (LSA) guidelines. This approach seeks to modify policies and processes that pose opportunities or challenges; and to maintain policies that generally work or where additional data or change is needed before policy shifts would be suggested. While many of the recommendations address more than one stated liquor policy goal, the recommendations are organized under the principal goal they support.

Table 3 presents a summary list of the recommendations and parallels the structure of the details that follow in the report.

**Table 3: Liquor policy recommendations**

<b>Goal 1: Protect health, safety and community liveability</b>	
<b>A. Maintain Existing Downtown Eastside Liquor Policy Direction</b>	
1	Retain the DTES moratorium on liquor primary (LP) licence and seat expansion with minor modifications as described in this report.
2	Amend the Liquor Store Guidelines such that: <ul style="list-style-type: none"> <li>- No additional liquor stores are allowed in the DTES</li> <li>- Existing liquor stores may expand or relocate within the DTES</li> <li>- Relocation should not result in more than one store in Strathcona, and one in the combined sub-areas of Gastown, Victory Square, Industrial, Chinatown and Thornton Park.</li> </ul>
<b>B. Adjust Granville Street/Granville Entertainment District policies to reduce problems</b>	
3	Amend the GED moratorium on conversion of Food Primary to Liquor Primary seats to include a moratorium on any additional liquor primary seats for Granville Street (W. Georgia to Drake Streets) with limited exceptions for: <ul style="list-style-type: none"> <li>- Live performance venues</li> <li>- Seat relocations, and</li> <li>- Opportunities to find creative solutions for net seat reductions in the GED.</li> </ul>
4	Applications for patio liquor licences or seat relocations from inside an to a patio should not be supported at LP establishments located on Granville Street between West Georgia and Drake streets until such time as the GED crime rates reduce and/or there is a diversification of establishments and patrons.
5	Amend the Liquor Store Guidelines to disallow additional liquor stores on Granville Street and the immediately surrounding area of the GED. Set the boundary to not within 150m of the Granville Street centreline, between W. Georgia and Drake streets.
6	Annually, all clubs and bars in the GED provide updated Patron Management plans to the City
7	Increase enforcement and ticketing at GED establishments for non-compliance of patron queues.
8	Institute a “last entry” hour pilot program from July 1, 2017 to June 30, 2018, requiring all GED LP establishments to restrict entry to new patrons within 1 hour of closing time.
<b>C. Expand General Public Health Interventions</b>	
9	Amend License by-law to require liquor serving establishments to display drink size and strength on their menu for all types of alcoholic drinks.
10	Encourage liquor serving establishments to offer standard drink sizes.
11	Encourage LPs to offer low strength drink options to patrons, and to provide free soft drinks to designated drivers.

12	In partnership with Vancouver Coastal Health, request the Provincial government establish and fund liquor-wise education with specific attention to under-aged drinking and binge drinking.
13	In partnership with Vancouver Coastal Health, seek opportunities to collaborate with and support partner organizations in on-going initiatives such as campaigns to encourage responsible public behaviour; and programs like the Vancouver School Board's School Age Children and Youth (SACY) Substance Use Health program.
14	Staff consider the benefits and impacts of restricting liquor advertising on city owned property and update policies accordingly.
15	Request Vancouver Coastal Health examine opportunities to expand the availability of managed drinking programs targeted at harm reduction among chronic alcoholics who are illicit drinkers.
16	Increase inspection frequency by City Property Use Inspectors, which will include inspections during weekend and peak operating hours.
17	Direct the Chief Licence Inspector to reconvene the multi-agency inspection teams; AND seek commitments from the Province to increase provincial liquor inspector resources.
<b>Goal 2: Foster creativity, community connection and local economy</b>	
<b>D. Allow Liquor Sales in select non-traditional businesses</b>	
18	Support liquor primary applications (to the Province) from arts and culture based establishments, whose primary activity is the provision, sale or exhibition of art and/or cultural artifacts.  Amend the Licence By-law to create the necessary liquor establishment licence in Vancouver.
<b>E. Enhance Patio Culture</b>	
19	Remove the twenty percent limit on Liquor Primary patio seats, if a Good Neighbour Agreement is signed, neighbourhood liquor seat limitations can be met, and community impacts (e.g. noise) are managed.  Existing LP patios in the GED, and in the DEOD will not be approved for increased patio seats.
20	Establish a guideline to exempt up to 12 additional seats on seasonal patios from the washroom provision standard in cases where the establishment provides a minimum of two washrooms.
<b>F. Expand Live Entertainment Opportunities</b>	
21	Allow live entertainment in restaurants during all hours of liquor service.
22	Amend the Non-alcoholic Dance Hall Policy to allow this land use on zoning-compliant sites in the entire Downtown area.
<b>G. Support Liquor Manufacturers</b>	
23	Allow manufacturers' lounges in industrial districts to: <ul style="list-style-type: none"> <li>• operate until midnight and establish these hours in the Business Premises Regulation of Hours By-law; and</li> <li>• Apply for extended hours for special occasions up to six times per year.</li> </ul>
24	Allow manufacturers' lounges to expand their seating capacity during area-wide cultural events on an occasional basis.

25	Allow artisans' markets to host up to three manufacturers selling and sampling their products.
<b>Goal 3: Ensure effective and efficient regulatory framework</b>	
<b>H. Support Liquor in Grocery Stores</b>	
26	Allow grocery stores to operate the store-in-store model for liquor sales.  These stores will have to meet the City's current Liquor Store Guidelines and Provincial design specifications.
<b>I. Formalize Restaurants that Operate as Bars in Evening Hours</b>	
27	Support applications from existing Food Primaries (FP) to operate under Liquor Primary (LP) licences after 10:00 pm provided that they meet the City's existing procedural and policy standards for LP establishments, including current LP distancing criteria; EXCEPT Food Primaries in the DTES and GED, in alignment with moratorium on new LP's in those areas.
28	Support restaurants with an established track record of good business operation (no history of noise complaints) who obtain an evening hours liquor primary licence be allowed to apply for extended hours after three months.
<b>J. Streamline and Clarify Procedures</b>	
29	Shorten the probationary period for FPs to three months in cases where the operator has an established track record of adherence to by-laws and terms and conditions of their business licence.
30	Issue up to six approvals for LP hours extensions at one time, provided that the LP has a track record of problem-free operations and adherence to by-laws and terms and conditions of their business licence. The hours extensions requested must fall within the calendar year of the application.
31	Amend the Licence By-law to give the Chief Licence Inspector authority to provide comment to the LCLB on applications for all liquor licence amendments.
32	Consolidate all liquor policies into a comprehensive, consistent and clear resource available online. Review and amend existing liquor policies to ensure that they are current and understandable by a broad audience of users

### **Key Recommendations**

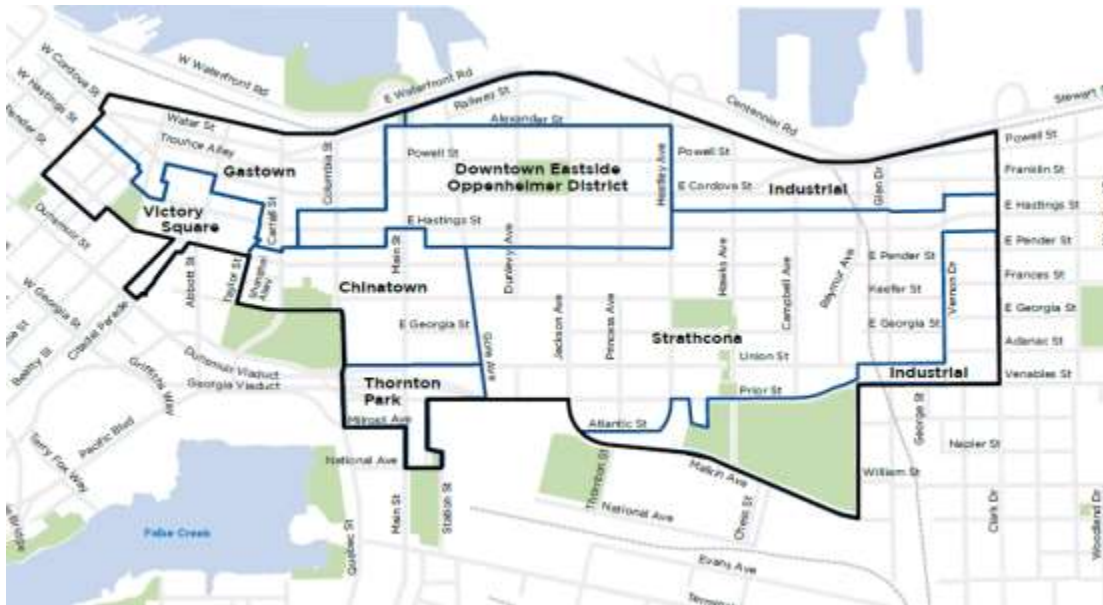
#### **GOAL 1: PROTECT HEALTH, SAFETY AND COMMUNITY LIVEABILITY**

The following recommendations principally support Goal 1:

- A: Maintain Existing Downtown Eastside Liquor Policy Direction
- B: Adjust Granville Street/Granville Entertainment District to reduce problems
- C: Expand General Public Health Interventions

#### **A: MAINTAIN EXISTING DOWNTOWN EASTSIDE (DTES) LIQUOR POLICY DIRECTION**

In 1990 the City placed a moratorium on liquor primary licences in the DTES Oppenheimer District. In 2012 the moratorium was expanded to include the whole of the DTES (Figure 4) while the Local Area Planning process was underway, and reaffirmed in 2014 to remain until the citywide liquor policy review could be completed.



**Figure 4: DTES Local Planning Area**  
Source: DTES Local Area Plan 2014

Liquor policy for the DTES should align with the DTES Plan (2014). Goals and principles of that plan are set in the context of the Healthy City Strategy with the overarching Plan goal, “to make the DTES a more livable, safe and supportive place for all of its diverse residents, in other words, a healthy neighbourhood for all.”

The DTES and its seven subareas (Figure 4) are home to a diverse resident population. Pursuit of a healthy neighbourhood for all entails attention to the needs and aspirations of a community with the lowest median income in the city, and where poverty presents a significant challenge to community health, social well-being and resilience (DTES Plan 2014:19). It also means acknowledging the discrete socio-economic, demographic and cultural characteristics of the neighbourhood’s seven sub-areas (Figure 4). For example, where the Downtown Eastside Oppenheimer District is “the heart of the low income community” with the highest concentration of community assets for low-income and vulnerable people (DTES Plan 2014:47), Gastown is a mixed use commercial district of art galleries, technology industry offices, innovative retail shops and restaurants, and a vibrant tourist destination.

The DTES currently has 10,400 licenced liquor primary seats. For the neighbourhood’s roughly 18,500 residents, this number of seats presents livability challenges. High concentrations of establishments serving liquor can pose immediate harms to neighbourhood residents and visitors, such as violence associated with intoxication, and nuisance in the form of noise disturbance, public urination and vomiting. Vulnerable resident populations, including low income families with children, and people with addictions and mental health issues can experience additional harms from access to alcohol and exposure to alcohol-centred social activity.

Sub-areas of the DTES, particularly Gastown and Chinatown, host a high concentration of liquor serving establishments. Some establishments cater to local residents and many attract people who work in the area and who come from other parts of the city and even the metro region. Gastown is a sub-area that saw a significant increase in LP licences in the mid-2000s.

As the number of liquor primary seats in Gastown climbed in those years, the Vancouver Police recorded increasing numbers of calls for police service. LP seats increased by approximately 40% between 2006 and 2012, and police calls to Gastown increased by about 45%<sup>10</sup>.

VPD data show that since 2012 when the moratorium on LPs was expanded to include Gastown, weekend calls to the area have decreased (Figure 5). These data support the conclusion that including Gastown (and all of the DTES) in the moratorium in 2012 was prudent. VPD data suggest the possibility that as the DTES sub-areas continue to evolve without the addition of new LPS, we may see a further decline in the calls for police service. However, calls to the area did increase from 2015 to 2016, so it will be important to continue to monitor the trends in both Gastown and the area as a whole.



**Figure 5: Police Calls to Gastown**

Source: VPD 2016

### DTES Liquor Policy

Staff recommend that the DTES moratorium on LP's largely remain in place. Primarily the proposed policy aims to protect the neighbourhood's vulnerable populations from the harms and risks associated with liquor, including direct impacts from addiction and overconsumption, as well as indirect impacts such as violence, harassment and noise. Once these primary objectives are met, staff will take into account secondary objectives to promote local economy and support local arts and culture.

Further, if or as sub-areas within the whole of the DTES change, staff will evaluate opportunities to nuance or change the policy for those areas. For example, the sub-area of Thorton Park is located between the emerging neighborhoods of False Creek Flats and Northeast False Creek and will be significantly impacted by the removal of the viaducts. This sub-area will likely warrant revised liquor policy considerations in the coming years.

<sup>10</sup> VPD data 2006-2012; COV business licences 2006 - 2012



### Liquor Primary (LP) applications

The current LP moratorium restricts new LP licences to event driven performance venues and disallows new seats. The moratorium does not impact FP's or manufacturing lounges. Staff recommend that the current DTES policy be maintained with minor adjustments.

DTES Plan objectives inform this recommendation:

- Protect resident populations, particularly vulnerable populations from impacts of excessive liquor availability
- Protect sub-area character and history
- Promote arts/culture/live performance

Table 4: Current and proposed DTES LP policy compares the conditions of the current moratorium to the proposed policy modifications. Opportunities to expand liquor availability remain focused on live performance venues, enabling an expansion to Hotel Lounges. Support for live performance venues is consistent with the aim of supporting local art and culture.

The proposed policy does not support new liquor licences for patios. This limitation is a response to concerns from VPD. They perceive that allowing new LP patios could contribute to increased street disorder. Given the uptick Gastown calls demonstrated above, staff agree that until further reductions in police activity and other LP patron related problems are achieved, new patio liquor licences should not be supported. For LPs with patios that have been operating with no history of complaints or by-law violations, staff support movement of interior seats to the patio.

**Table 4: Current and proposed DTES LP policy**

	A. Current DTES moratorium	B. Proposed DTES moratorium modifications
<b>Liquor Primary Licences</b>	No new LP licences, except for live performance based venues	No change
<b>Movement of existing seats</b>	No movement of existing seats	No change
<b>Hotel lounges</b>	Considered on a case by case basis	No additional seating for existing licences, <i>except for live performance based venues</i>
<b>New patios</b>	Considered on a case by case basis	No addition of patios; <i>for existing LPs, interior seats may be moved to an existing patio</i>

Applications that will be supported, as identified in Table 4 column B, will be considered following standard City process, on a case by case basis. This process includes review and comment from relevant City departments and Vancouver Fire and Rescue Services. For DTES applications, VPD will also be included for input. As part of the standard process, approved establishments will enter into a Good Neighbour Agreement with the City, and will be issued a

time-limited Development Permit. Public input is a provincial requirement for all LP applications.

Staff will review on an ongoing basis any key data, new community plans, new policies, or other indicators that may warrant a re-review of the LP moratorium in the DTES.

***Recommendation #1:***

Retain the DTES moratorium on liquor primary (LP) licence and seat expansion with minor modifications as described in this report.

### **DTES Liquor Stores**

While conducting the review of the DTES moratorium, staff identified opportunities to clarify liquor store location guidelines for the DTES.

Demand for retail liquor in the DTES is served by two existing liquor retail stores inside the DTES<sup>11</sup>, and two others nearby<sup>12</sup>. The current Liquor Store Guidelines specifically disallow additional liquor stores in the DEOD and Gastown sub-areas, but whether they are allowed in other sub-areas is not clear.

Staff propose that the Guidelines be amended so that the rules are consistent across all sub-areas and that no additional liquor stores are allowed in the DTES. However, existing liquor stores should be able to expand, and to relocate within the DTES. Relocation should not result in more than one store in the Strathcona, and one in the combined sub-areas of Gastown, Victory Square, Industrial, Chinatown and Thornton Park.

***Recommendation #2:***

Amend the Liquor Store Guidelines such that:

- a) no additional liquor stores are allowed in the DTES and,
- b) existing liquor stores may expand or relocate within the DTES.
- c) Relocation should not result in more than one store in Strathcona, and one in the combined sub-areas of Gastown, Victory Square, Industrial, Chinatown and Thornton Park.

<sup>11</sup> Astoria Liquor Store (769 E. Hastings) in the Industrial sub-area and Wine Thief Liquor Store (375 Water St) in Gastown.

<sup>12</sup> BC Liquor Store (555 W. Hastings St) and Crosstown Liquor Store (568 Abbott St).

### ***B: ADJUST GRANVILLE STREET/ GRANVILLE ENTERTAINMENT DISTRICT (GED) POLICIES TO REDUCE PROBLEMS***

In 1996 Council established the boundaries of the GED as extending from Nelson Street to West Georgia Street. This area represents the highest concentration of Liquor Primary licenses, with a total of eleven establishments between Nelson and Robson streets. In addition, a number of Liquor Primary licenses remain located in the blocks south of the GED, with ten establishments located between Nelson and Drake streets.



**Figure 6: Granville Street Policy Area and GED (indicated with lighter shading)**

The GED moratorium on the conversion of food primary to liquor primary seats has been applied to all the blocks of Granville Street both within the GED and south of Nelson Street to Drake, and has successfully constrained the growth of liquor primary seats in this area. However, the GED continues to attract a relatively narrow demographic of weekend evening patrons - few establishments such as art galleries or non-liquor focused venues have emerged to draw a wider range of people. Ongoing high incidents of crime and violence require additional weekend policing, which has an annual cost of \$1.1 million.<sup>13</sup>

Additional policing was allocated in 2006; VPD Lima Squad (after 'L' for "liquor") responds to violence, vandalism, public drinking, public nuisance and general public disturbances, as well as occasional homicides and sexual assaults. Many of these incidents are liquor related.<sup>14</sup> VPD data indicate that each month police make an average of ten arrests (mostly for Breach of Peace) and identify 110 cases of public drinking in the GED on weekend evenings<sup>15</sup>.

#### **Granville Street Vision**

Located at the centre of the downtown area, Granville Street is an important historic street, and has played a significant role in the city as not only an entertainment and theatre district, but also as a shopping street, a centre of business, and a transit corridor. There are various opportunities to tap into its history and strengths and to evolve into a vibrant, diverse community. In considering the future of Granville Street, its key strengths include:

<sup>13</sup> COV provides \$897, 885. The remaining \$232,483 is paid for out of VPD operating budget.

<sup>14</sup> According to VPD data, the majority of breaches of peace, fights and sexual assaults in District 1 (the Downtown peninsula) are concentrated in the GED during just a few hours on weekend evenings.

<sup>15</sup> VPD Lima Squad Data from first eight months of 2016. Data likely undercounts arrests.

- Its vibrant and colourful character;
- The opportunity for new businesses to locate in close proximity to those who work, visit and live downtown;
- The cluster of two to five storey buildings of heritage merit on the four blocks south of Robson Street; and
- Its strong pedestrian connectivity to the downtown and transit links to the city and region;

City staff are working with the Downtown Vancouver Business Improvement Association (DVBIA) on a *Granville Refresh* vision. The vision for the street is an inclusive shopping and restaurant district, with a variety of entertainment businesses attracting a wide demographic of day and night-time patrons. Generally, the approach for the street is more about shopping, activities, and 'eating', with less drinking. The following initiatives will assist in achieving this vision:

- Revitalizing retail and restaurant businesses by building on the street's unique heritage character, transit access, and wide sidewalks;
- Encouraging the up-grading and transparency of store frontages;
- Promoting the street as a key walking route connecting the Downtown business district to the West End and Yaletown via Robson Street and Davie Street;
- Addressing the street environment, e.g. physical improvements, such as movable seating provided by the DVBIA and draping colourful temporary 'scrim' in front of vacant frontages pending their renovation for new businesses;
- Considering options for the siting of patios, particularly to enhance the viability of restaurants;
- Considering the removal of the bollards and parking on the sidewalks south of Nelson Street to improve the environment for those walking on Granville or for store displays and patio
- Encouraging distinct neon signs and neon 'blade' signs; and
- Investigating heritage retention incentives following Council's consideration of the Heritage Action Plan this summer.

## Recommendations

The transformation of Granville Street will be accomplished over time through sustained and coordinated City efforts in Planning, Engineering, Development, and Licensing, in collaboration with the Vancouver Police Department, and with industry partners, Granville Street property owners and businesses, and the DVBIA. This liquor policy report seeks to enable these larger efforts, but the scope of this report does not directly address said efforts or initiatives.

The transformation of Granville Street will be aided by an overall reduction in existing liquor primary (LP) seats. Staff propose the moratorium on conversion of food primary to liquor primary seats be amended to include a moratorium on any additional liquor primary seats for Granville Street (with the exception of the consideration of 'event driven' liquor licenses explained below). Also, the transfer of existing liquor primary seats onto Granville Street, south of West Georgia Street is not supported.

Staff will also work with businesses to find creative solutions for seat reductions. For example, the consolidation of seats from two venues into one with a net total reduction could be considered.

To further the aim of diversifying establishment types in the GED and consistent with the goal of fostering arts and culture, staff propose that on a case by case basis applications from entertainment-centred establishments (i.e. 'event driven' liquor primary licenses that primarily focus on live music) will be considered. Successful applicants would serve liquor only in conjunction with pre-booked events.

At this time, staff propose that applications for patio liquor licences or liquor primary seat relocations from inside to a patio, not be supported on Granville Street (West Georgia to Drake Street). This recommendation is strongly supported by the VPD, who view patios as complicating factors in addressing the current level of violence on weekend.

Staff will review on an ongoing basis any key data, new community plans, new policies, or other indicators that may warrant a re-review of the LP moratorium in the GED.

*Recommendation #3:*

Amend the GED moratorium on conversion of Food Primary to Liquor Primary seats to include a moratorium on any additional liquor primary seats for Granville Street (W. Georgia to Drake Streets) with limited exceptions for:

- Live performance venues
- Seat relocations, and
- Opportunities to find creative solutions for net seat reductions in the GED.

*Recommendation #4:*

Applications for patio liquor licences or seat relocations from inside an to a patio should not be supported at LP establishments located on Granville Street between West Georgia and Drake streets until such time as the GED crime rates reduce and/or there is a diversification of establishments and patrons.

**Liquor retail stores**

The downtown area near the GED is served by six liquor retail stores. Given the current effort to curb liquor related problems including social and public health harms associated with activity in the GED, staff recommend that new liquor retail stores not be allowed to locate in the GED.

*Recommendation #5:*

Amend the Liquor Store Guidelines to disallow new liquor stores on Granville Street and the immediately surrounding area of the GED. Set the boundary to not within 150 meters of the Granville Street Centreline, between West Georgia and Drake streets

### Management of queues and crowds outside LP establishments

There is a high level of support from the public and from BIAs to address violence and public misconduct in the GED on weekend nights. VPD report that in the evenings, crowded GED sidewalks impede pedestrian flow and contribute to incidents of violence, particularly among intoxicated people. Some clubs and bars manage queues well while others frequently allow or enable disorderly, disruptive sidewalk queues. Since 2008, the VPD have implemented road closures to enable a more expanded area for patrons leaving establishments.

The Licence By-law 19.2.A (1) (j) requires that businesses: *Use all reasonable efforts to conduct business in such a manner that customers awaiting entry into the liquor establishment do not obstruct sidewalks or entry or exit areas*

Staff recommend that City Property Use Inspectors increase attention to these issues and actively issue tickets for non-compliance. To assist City Property Use Inspectors (PUIs) with evidence collection, a standardized Patron Management Plan form will be developed by the City's Licensing Office. An updated plan will be required from each GED liquor establishment annually, and kept on file. PUIs will use the Patron Management Plans at inspection, observe whether the plans are being followed, and issue a ticket for non-compliance.

#### Recommendation #6:

Annually, all clubs and bars in the GED provide updated Patron Management Plans to the City.

#### Recommendation #7:

Increase enforcement and ticketing at GED establishments for non-compliance of patron queues.

Another approach to limit late night sidewalk crowds is implementation of a *last entry* pilot program for GED LP establishments. This approach has been used and studied most prominently in Australian cities.

Last entry means that after a set hour, (often one hour before closing), establishments do not allow new patrons to enter. Patrons already inside can stay until closing, but once they leave, they may not re-enter. While evidence is limited on the effectiveness of this approach at reducing street violence, it has been shown to reduce the number of violent incidents inside bars and clubs<sup>16</sup>. At a minimum, it is anticipated that this program will eliminate late night queues on GED sidewalks, will reduce the number of people on the street moving between GED venues late at night, and will reduce the number of people going to the GED from other areas late at night.

VPD support this pilot program and have agreed to provide records of police incident data going forward to help evaluate the impact of the pilot. Staff will use the data to monitor last

<sup>16</sup> Studies include: Donnelly, N., Poynton, S., Weatherburn, D. 2017. The effect of lockout and last drink laws in non-domestic assaults in Sydney: An update to September 2016.

Mazerolle, L., White, G., Ransley, J., Ferguson P. 2011. Violence in and around entertainment districts: a longitudinal analysis of the impact of late-night lock-out legislation.

entry over twelve months. If there is measurable reduction in recorded incidents of street violence, and/or violent incidents inside liquor establishments, the program will be maintained.

**Recommendation #8:**

Institute a “last entry” hour pilot program, from July 1, 2017 to June 30, 2018, requiring all GED LP establishments to restrict entry to new patrons within 1 hour of closing time.

### ***C: EXPAND GENERAL PUBLIC HEALTH INTERVENTIONS***

Health experts agree that education, awareness, and having alternatives to alcohol lead to better choices and can mitigate the impact of alcohol on individuals and communities. The following recommendations focus on public health interventions that can protect health, safety, and liveability in Vancouver.

#### **Enabling Wise Choices**

To enable wise choices among consumers, staff recommend the following eight actions.

##### **Drink size and strength**

Safer drinking guidelines advise people to monitor their alcohol consumption levels using a standard drink measurement. For example, males are warned that five or more standard drinks in one occasion is considered binge drinking. However, drinks are often served in non-standard sizes. For example, beer is regularly available in serving sizes ranging from 12 to 20 ounces and at varying strengths.

Respondents to both the random and non-random surveys supported requiring liquor establishments to include standard sized drink servings and low-alcohol drinks. On the random survey 74 percent indicated they were very or somewhat supportive and on the non-random the support was 69 percent.

Patrons should be able to choose drinks in standard drink sizes (i.e. 12 ounce beer/5 percent alcohol and 5 ounce wine/12 percent alcohol<sup>17</sup>), or at least should be able to easily determine the drink strength by reading the menu. Beer can range in from 3 percent alcohol by volume to 9 percent. Knowing the size and strength of drinks can make it easier for patrons to monitor their alcohol consumption.

Toward the goal of informing the consumer and enabling smart choices, staff recommend requiring liquor serving establishments to post serving sizes and strengths on their menus. However, staff do not recommend a requirement for all liquor-serving establishments (i.e. LP's, FP's, and manufacturer's lounges) to serve standard size drinks because doing so places added burden to businesses, especially small business, and may create enforcement challenges. Staff do recommend the City work with liquor-serving business to offer standard size drinks and to offer low strength or non-alcoholic drinks.

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<sup>17</sup> <https://www.niaaa.nih.gov/alcohol-health/overview-alcohol-consumption/what-standard-drink>

**Recommendation #9:**

Amend Licence By-law to require liquor-serving establishments to display drink size and strength on their menu for all types of alcoholic drinks.

**Recommendation #10:**

Encourage liquor-serving establishments to offer standard size drinks.

**Recommendation #11:**

Encourage LPs to offer low strength drink options to patrons, and to provide free soft drinks to designated drivers

**Education on responsible alcohol consumption**

A number of Provincial changes to liquor regulations expand opportunities for access to liquor (e.g. happy hour, more liquor types in manufacturers' lounges). Public health officials argue that actions to expanded access should be accompanied by counter measures that aim to limit potential harms associated with alcohol consumption.<sup>18</sup> Public education and communication is one such measure.

While the Province is principally responsible for public health education, the City can support and expand on the Province's efforts. For example, the City can contribute to public education on its website by including safe transportation tips with its seasonal, holiday and event messaging. Further, the City can build on its partnership with Barwatch encourage expansion of their voluntary code of operational conduct with respect to advertising, drink prices and specials.

**Recommendation #12:**

In partnership with Vancouver Coastal Health, request the Provincial government establish and fund liquor-wise education with specific attention to under-aged drinking and binge drinking<sup>19</sup>.

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<sup>18</sup> The Chief Public Health Officer's Report on the State of Public Health in Canada 2015, Alcohol consumption in Canada. 2016.

<sup>19</sup> About 26% percent of Vancouverites report binge drinking on a monthly basis as reported in My Health My Community Survey (2013-2014).



**Recommendation #13:**

In partnership with Vancouver Coastal Health, seek opportunities to collaborate with and support partner organizations in on-going initiatives such as campaigns to encourage responsible public behaviour; and programs like the Vancouver School Board's School Age Children and Youth (SACY) Substance Use Health program<sup>20</sup>.

**Advertising on City sites**

Liquor advertising is present in most forms of media and it reaches unintended audiences such as youth and people dealing with addictions issues. A measure the City can take is to restrict liquor advertisement on city owned property, such as billboards and transit shelters. The restriction could be on direct marketing of liquor products and liquor focused events. The ability to restrict advertising should be explored as part of the on-going work on signs on city owned property, and city signs.

**Recommendation #14:**

Staff consider the benefits and impacts of restricting liquor advertising on city owned property and update policies accordingly.

**Illicit drinking**

A practice among the severely addicted is the consumption of non-beverage grade alcohol in the form of hand sanitizer, rubbing alcohol, mouthwash or cleaning products. VPD and stakeholders representing illicit drinkers in the DTES have raised their concern about the adverse effects that consuming these products have on the health of chronic alcoholics.

**Recommendation #15:**

Request Vancouver Coastal Health examine opportunities to expand the availability of managed drinking programs targeted at harm reduction among chronic alcoholics who are illicit drinkers.

**Public Safety Measures****Encourage liquor establishment compliance with City by-laws**

Since April 2017 the City has doubled its scheduled inspections of liquor establishments to ensure compliance with business licences and overall business performance. Reactive inspections have also increased, based on increased calls to 311 for nuisance issues, such as noise.

It should be noted that while the City can enforce against violations of an establishment's business licence, such as noise or operating outside of business hours, the Province enforces against liquor licence violations. This includes addressing violations such as overserving to

<sup>20</sup> <http://www.vsb.bc.ca/sacy>

patrons, and operating over the approved occupancy limits. The City has authority to issue fines, suspend and revoke business licences, while the Province has authority to issue fines, and to suspend and revoke an establishment's liquor licence. The provincial liquor inspectors conduct the inspections of the liquor establishments and issue any resulting fines or other disciplinary action against liquor licence violations.

Staff recommend an increase in proactive City inspection frequency to supplement Provincial liquor enforcement and ensure compliance with City by-laws. At this time the proposed increase will be accommodated using existing Inspection staff resources.

**Recommendation #16:**

Increase inspection frequency by City Property Use Inspectors, which will include inspections during weekend and peak operating hours.

To identify opportunities to increase effectiveness and consistent application, the Chief Licence Inspector has initiated an enforcement mapping process. Once completed, the enforcement escalation process will be formalized in writing, shared with owners and operators of liquor establishments, and made publicly available. This enforcement escalation process will apply to businesses city-wide.

As part of the enforcement mapping process, the Chief Licence Inspector will examine the feasibility of reconvening multi-agency inspection teams. Previously, inspection teams comprised of City Property Use Inspectors, Provincial liquor inspectors, VFRS and VPD staff carried out liquor establishment inspections. This practice resulted in more accurate evidence collection, and shared organizational knowledge about problem establishments and the enforcement action taken at each jurisdictional level. It was also more effective in enforcing compliance.

In order to implement this multi-agency inspection effort, the Province may need to increase its limited enforcement resources. Additional provincial liquor inspectors would allow for more frequent inspections and stronger enforcement against common violations, such as food primaries functioning as liquor primaries late in the evening, and other violations the City cannot enforce.

**Recommendation #17:**

Direct the Chief Licence Inspector to reconvene the multi-agency inspection teams;  
AND seek commitments from the Province to increase provincial liquor inspector resources.

**GOAL 2: FOSTER CREATIVITY, COMMUNITY CONNECTION AND LOCAL ECONOMY**

While the harms of alcohol are clear, moderate drinking and alcohol paired with other arts, culture, and community activities can enhance the vibrancy of the City. Further, alcohol-related businesses are growing, including 'you-brew' shops and larger scale local breweries and distilleries, contributing to the economy and bolstering the 'makers' market and cachet of Vancouver. Smart additions of alcohol to arts, culture, and the economy can also increase

tourism and improve the 'brand' of the City. Staff looked at various models and programs across Europe, Australia and the United States that reinforced this notion.

The following recommendations principally support Goal 2:

- D: Liquor sales in non-traditional business
- E: Patio culture
- F: Entertainment and dancing
- G: Liquor manufacturers

### **D: ALLOW LIQUOR SALES IN SELECT NON-TRADITIONAL BUSINESSES**

As of January 2017, Provincial regulations allow any business, except those that operate out of a motor vehicle or whose business is predominantly aimed at minors, to sell and serve alcohol. The business must apply to the Province for a liquor primary licence; the terms of the Provincial licence will state that liquor service is ancillary to the primary business. Liquor must be sold and may not be offered as complimentary. The licenced area can overlap all or part of the business, or it can be adjacent to the primary business. The Province anticipated the kinds of businesses that may want this licence include spas, art galleries, bookstores, barber shops and clothing stores. However, any business, except those that operate out of a motor vehicle or whose business is predominantly aimed at minors, are eligible to apply.

The Provincial licence application fee is \$2,200 and the standard liquor primary application procedures, including public notification, apply. Regulations around staff training (i.e. Serving it Right), how and where liquor can be purchased by the business, how it must be stored on site, and restricting service of alcohol by minors, also apply. For some smaller businesses, the cost of obtaining a licence, the time and effort of applying, and maintaining compliance with liquor primary regulations may outweigh the benefits of selling drinks to customers.

Since the change was announced, the City has received calls of interest from approximately fifteen business owners, mostly beauty salon and barber shop owners, but also a retail clothing store, and at least two art galleries.

In considering a policy response to this Provincial change, Staff examined responses by other BC municipalities. To date none have licenced a non-traditional business. The City of Victoria reports no applications, and no specific policy response. In Burnaby, no applications have been received; applications will go through their existing liquor primary process which includes rezoning. Kelowna intends to support licencing non-traditional businesses as LP-Minor, and applications will go through existing Council process for approval.

Consultation showed public support for art galleries to be licenced but less support for other types of businesses (77 percent and 55 percent respectively on the random survey were either very supportive or somewhat supportive).

If Council were to support applications from all business types public access to liquor would likely expand. Depending on business uptake, alcohol could theoretically be purchased at most any retail or service shop. Using the liquor policy goals as a guide, staff recommend that applications be supported from arts and culture based establishments such as art galleries and museums. The city has a number of art galleries and museums that may benefit

from less administrative time and cost (i.e. not applying for special event permits) and from being able to sell alcoholic drinks for profit during regular hours of business.

Arts and culture based establishments with liquor primary licences would be required to hold a City business licence for their primary business, and in addition they would hold a liquor establishment business licence. The liquor establishment business licence would include the condition that liquor service is ancillary to the primary business. The City's LP distancing requirements would not apply, or restrict proximity of the licensed non-traditional businesses to existing liquor serving establishments. An amendment is required to the Licence By-law to facilitate this licence type.

**Recommendation #18:**

Support liquor primary applications (to the Province) from arts and culture based establishments, whose primary activity is the provision, sale or exhibition of art and/or cultural artifacts.

Amend the Licence By-law to create the necessary liquor establishment licence in Vancouver.

A draft policy to guide staff in commenting on liquor licence applications from arts and culture based establishment is in Appendix D.

**E: ENHANCE PATIO CULTURE**

Patios can enhance the vibrancy of the public realm and can improve customer experience at food and liquor establishments. General public sentiment toward patios is positive and the City has piloted a patio programs and policies to date. In response to direction from Council (June 24, 2015), staff have developed four liquor-specific recommendations related to patio seat limits and the patio approvals process.

Other patio related policy will be considered through the Patio Review Program, which has been initiated by the City's Engineering Services. The Review will recommend improvements to the patio policy and design guidelines for businesses seeking to build and licence patios on private and public property. Patios on public land (like sidewalks) are processed through Engineering Services, while patios on private land are processed through Development, Buildings and Licensing (DBL). The full scope of the review is not yet determined, but staff will consider the following two items identified by liquor industry representatives, under that review.

- Liquor manufacturers have expressed a desire for City policy to allow patios in conjunction with manufacturers' lounges (currently limited to indoor space).
- Patios on private land are issued Development Permits on a time-limited basis, generally for one year at a time. Business operators have requested time-limited approval beyond one year for patio Development Permits when the operator has a track record of problem-free operations.

**Patio seat limits for liquor primary (LP) establishments**

Restaurant patios have no policy limits on the number of seats they can accommodate, but existing policy caps liquor primary patio seats at 20 percent of the establishment's interior liquor seats. For example, a 100 seat LP would be allowed to create up to 20 seats on a patio. The limitation on LP seats helps mitigate the impact of LPs on neighbours. However, this limitation can make it difficult for LPs to operate viable patios, which require significant investment and economy of scale to be financially feasible. Staff recommend removing the 20 percent seat cap. Staff may elect not to support more than 20 percent of indoor seats for a patio licence in cases where an applicant has a history of noise or other complaints.

**Recommendation #19:**

Remove the twenty percent limit on Liquor Primary patio seats, if a Good Neighbour Agreement is signed, neighbourhood liquor seat limitations can be met, and community impacts (e.g. noise) are managed.

Existing LP patios in the GED and in the DEOD will not be approved for increased patio seats.

**Patio washroom standards**

The number of washrooms that an establishment must provide is directly related to the number of patrons it can accommodate, whether they are seated inside or on a patio. Generally, each 25 seats require the provision of one washroom. This means that even the addition of a summer-season patio may trigger an expensive and space-consuming washroom installation, rendering outdoor seating unfeasible.

In order to enable more patio service, staff examined the feasibility of reducing this washroom standard for seasonal patios. The aim is to enable seasonal patios without increasing the likelihood of unreasonable washroom waits or public urination. They concluded that a 12 seat exemption would be appropriate, provided that it applies only to establishments with at least two washrooms already (to minimize risk of excessive washroom waits). Staff estimate that in the Downtown area, this exemption would meet the needs of most establishments (at least 70 percent)<sup>21</sup>.

**Recommendation #20:**

Establish a guideline to exempt up to 12 additional seats on seasonal patios from the washroom provision standard in cases where the establishment provides a minimum of two washrooms.

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<sup>21</sup> Estimates based on case studies of 76 existing patios on Granville, Robson, Davie and Alberni Streets in the Downtown area.

**F: EXPAND LIVE ENTERTAINMENT OPPORTUNITIES**

Live performance contributes to a thriving city and diversifies entertainment options beyond liquor primary focused activities. In order to support local arts and businesses and in order to better align City and Provincial policies, staff recommend expanding the hours of live entertainment in restaurants. Currently the Licence By-law allows restaurants to serve liquor until 1:00 am (2:00 am on weekends), but requires all live entertainment (e.g. music, comedy) to cease by midnight. Extending live performance hours to all hours of liquor service may increase opportunities for entertainers. This action aligns City hours with those of the LCLB which allows live entertainment in restaurants until 1:00 am. Restaurants will be required to meet all noise bylaws and meet ‘good neighbor’ performance.

**Recommendation #21:**

Allow live entertainment in restaurants during all hours of liquor service.

Musicians and other live performers report a shortage of spaces for informal rehearsals and gathering in general. One venue type that can accommodate such activity is the non-alcoholic dance hall. Non-alcoholic dance halls also provide alternative entertainment to liquor-focused bars and clubs. However, current policy allows non-alcoholic dance halls only in the 700, 800 and 900 blocks of Granville Street. This is a limitation on a culture-supporting land use.

**Recommendation #22:**

Amend the Non-alcoholic Dance Hall Policy to allow this land use on zoning-compliant sites in the entire Downtown area.

**RECOMMENDATION G: SUPPORT LIQUOR MANUFACTURERS**

Vancouver has a thriving liquor manufacturing industry of brewing, distilling, wine and cider making. The production of liquor in Vancouver can yield local benefits such as green jobs (i.e. local products can have a smaller carbon footprint than products shipped from afar), and street activation (via refurbishment of industrial buildings), and support for arts and culture (artists and live performers are retained to enhance manufacturers’ lounges and design product labels). The ability for liquor manufacturers to operate tasting lounges has been in effect since 2013. Manufacturers identified a number of areas for policy change to support their industry. Staff recommend the following.

**Lounge hours**

Via the stakeholder consultation, liquor manufacturers requested the ability to extend the required closing hours of their lounges from 11 p.m. (the current limit). They also requested the ability to apply for an extended hour of operation on an occasional basis for special events.

Survey respondents were supportive of extending hours for liquor manufacturers. In the random survey, 64 percent were ‘very’ or ‘somewhat supportive’ of allowing manufacturers’

lounges to serve liquor until midnight. Among non-random survey respondents 90 percent were 'very supportive' or 'supportive'.

Given the limited risk of noise impacts (manufacturers are generally located in industrially zoned areas), staff support the request to extend closing time to midnight. This change should be established in the Business Premises Regulation of Hours By-law.

Staff also support extended hours for special occasions up to six times per year. This change would align City policy with LCLB regulation.

**Recommendation #23:**

Allow manufacturers' lounges in industrial districts to:

- operate until midnight and establish these hours in the Business Premises Regulation of Hours By-law; and
- apply for extended hours for special occasions up to six times per year.

Some local liquor manufacturers participate in arts and culture events. For example, during Culture Crawl, lounges host events and showcase artwork. More patrons could participate in these events if lounges could apply for additional seating.

Sixty-six percent of respondents to the random survey, and 92 percent of non-random survey respondents were either very or somewhat supportive of seat expansions during special events. Staff support this recommendation.

**Recommendation #24:**

Allow manufacturers' lounges to: expand their seating capacity during area-wide cultural events on an occasional basis.

At this time Staff are not recommending action related to other manufacturing industry requests such as increasing the lounge size limit currently set at to 80 m<sup>2</sup>, and ability to operate patios. These requests reflect the evolving nature of the liquor manufacturing industry to a business model that increasing includes meeting customers face-to-face. The suitability of liquor service oriented businesses in industrially zoned areas is a determination to be made through more comprehensive land use planning. For that reason, recommendations are not included in this report.

**Liquor manufacturer sales at artisans' markets**

Vancouver's policies and by-laws allow liquor manufacturers to retail their products at farmers' markets, but not at artisans' markets (the former is a market featuring locally-produced food items, while the latter features local arts and crafts like at the Christmas Market). Allowing retail sales at artisans' markets would provide additional opportunities for local manufacturers without an excessive expansion of liquor retail in the City.

Ninety percent of respondents to the non-random survey either strongly or somewhat agreed with allowing artisanal markets to retail local liquor. The question was not included on the random survey.

**Recommendation #25:**

Allow artisans' markets to host up to three manufacturers selling and sampling their products.

**GOAL 3: ENSURE EFFECTIVE AND EFFICIENT REGULATORY FRAMEWORK**

Staff reviewed all changes to Provincial liquor regulation that have been enacted by the Province since it adopted its Liquor Policy Review report in 2014. Fifty-five (55) Provincial Directives have been issued to date; each includes one or more regulatory changes. Appendix A lists the Directives, summarizes regulatory changes, and identifies their relevance for local governments. From this list, staff identified various opportunities to align regulations and processes between the Province and the City. Further, with input from stakeholders, staff have identified a number of opportunities for internal policy and process improvement.

The following recommendations principally support Goal 3:

H: Support liquor in grocery stores

I: Formalize restaurants that operate as bars in evening hours

J: Streamline and clarify procedures

**H: SUPPORT LIQUOR IN GROCERY STORES**

Since the Province changed regulations in 2015, the Liquor Control and Licensing Board (LCLB) has allowed for the sale of liquor in grocery stores under one of two models: wine-on-shelf or store-in-store. The wine-on-shelf model is required to offer only BC-made wine<sup>22</sup>, and may be integrated into the store and sold alongside grocery items at cashier stands (provided that purchases are completed by a non-minor). Per provincial licensing, the total number of grocery store wine-on-shelf licences for the province is limited. A grocery store may operate wine-on-shelf under one of two licences:

1. It may partner with an existing wine store to operate its licence; the only eligible wine store licences are Vintners Quality Assurance (VQA) licences held by the BC Wine Institute (21 licences in the province),<sup>23</sup> Twelve of the twenty-one VQA licences are being operated in Save-On Foods stores around the province<sup>24</sup>.
2. It may purchase one of 18 special wine store licences being auctioned by the Provincial government.<sup>25</sup> Currently, twelve special wine store licences have been auctioned by the LCLB and at least two are operating in BC.

Wine-on-shelf licenses are not subject to restrictions based on distancing from other liquor retail outlets.

<sup>22</sup> Note: a trade challenge has been launched against the made-in-BC provision, but no ruling has yet been issued.

<sup>23</sup> LCLB Wine Store Terms and Conditions handbook.

<sup>24</sup> Kamloops, Kelowna (2 stores), Langley, Maple Ridge, Pemberton, Parksville, Prince George, Surrey (2 stores), Tsawassen, Whiterock

<sup>25</sup> Special Wine Store Licence Auction Act and Regulation, 2015



In contrast to wine-on-shelf, the store-in-store model allows for the sale of beer, wine and spirits from anywhere in the world, and must be in a separated area with its own cashier at the point of exit from the liquor-retailing area back into the grocery store. Unlike wine-on-shelf, the store-in-store model (unless it is a wine only store) is required under LCLB regulations to be at least one kilometre from any other liquor retail store.

Grocery stores must be at least 10,000 sq ft in size in order to be eligible to operate either the wine-on-shelf or store-in-store models.

The regulatory change to allow for liquor in grocery stores was, and continues to be, a popular public, industry and media topic. In December 2015, staff presented Council with a recommendation to pilot the wine-on-shelf model in five grocery stores. Council deferred the item to the comprehensive liquor policy review.

Staff have since conducted further research, solicited feedback from the public, and consulted with key stakeholders.

Public consultation revealed fairly high public support for the convenience of being able to purchase wine at the grocery store (56 percent of random survey respondents were “very supportive” of allowing grocery stores to sell wine by the bottle). Grocery stores that are eligible under Provincial rules to sell wine-on-shelf are also keenly interested.

Public health officials and researchers are concerned that expansion of liquor access and convenience for some members of the public are not worth the risks of social and public health harms associated with expanded access to liquor. They note that expanded availability increases consumption and increased consumption - even at moderate levels - has been shown to have negative social and public health consequences.<sup>26</sup> Further, liquor marketing, sampling and advertising in the grocery store may pose risks. Children and youth may be influenced by repeated exposure to influential advertising; people with alcohol addiction face temptation while shopping for food; impulse liquor purchases may increase in people who are under stress. These concerns were expressed by Vancouver Coastal Health researchers and Chief Medical Health Officer Dr. Patricia Daly to Council in December 2015, and reinforced in discussions with staff since then.

From the perspective of BCs wine producers and retailers, reactions are mixed. Large grocery store chains are seeking the opportunity to add alcohol to their product mix. From the perspective of wineries, large chains may also represent an opportunity to gain market access other than through government or private liquor stores. However, wine and liquor stores are facing the prospect of direct competition with large grocery chains under the wine on shelves model, potentially negatively impacting small local business operators.<sup>27</sup>

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<sup>26</sup> The Chief Public Health Officer’s Report on the State of Public Health in Canada 2015, Alcohol consumption in Canada. 2016.

## **Wine-on-shelf Compared with Liquor Store-in-store Model**

### **Vancouver Liquor Store Guidelines**

Vancouver's Liquor Store Guidelines (2010) identify local shopping areas (LSA's) and general commercial areas where new liquor stores may be located. At present, there are a small number of LSAs or general commercial areas that are not served by a liquor store, and applications could be considered for one.<sup>28</sup> However, none of these areas are served by an existing grocery store.

Under the Guidelines, liquor retail stores are permitted to relocate within their LSA.

### **Wine-on-shelf compared with liquor store-in-store model**

Given the public health and safety concerns associated with expansion of liquor retail and the wine-on-shelf retail model, and considering the goal of a level competitive field for private liquor retailers, staff examined how the liquor store-within-store model could function within the City's existing Liquor Store Guidelines.

Vancouver's Liquor Store Guidelines (2010) identify local shopping areas (LSA's) and general commercial areas where new liquor stores may be located. At present, there are approximately two LSAs or general commercial areas that are not served by a liquor store, and applications could be considered for one.<sup>29</sup> Any additional LSAs or general commercial areas that may be designated by the City in relation to ongoing development would also create opportunities for new applications.

The City's Liquor Store Guidelines also allow an existing liquor retail store to relocate within its Local Shopping Area (LSA) or General Commercial Area. Liquor retail stores selling beer, wine and spirits must maintain a 1 km distance from any other liquor retail store selling beer, wine and spirits.

In Vancouver approximately thirty LSAs and General Commercial Areas have a grocery store over 10,000 sq ft. in size and a liquor retail store that could relocate into the grocery store under the store-in-store model. Eighteen of these liquor stores are BC Liquor Stores.

This approach to the liquor store-in-store model does not increase the overall number of liquor retail stores beyond the parameters already established by the City pursuant to its Liquor Store Guidelines. It offers the opportunity for grocery stores to enter the liquor retail market on the same terms and conditions as existing liquor stores. Public and social health risks are minimized compared to the wine-on-shelf model because entry and exit to the liquor store is through a controlled access point from the grocery store; and liquor displays and advertising do not take place inside the grocery store.

In Provinces across Canada where liquor in grocery is permitted, the liquor store-in-store is less frequently found than the wine-on-shelf model. There are no store-in-store liquor stores in BC at this time. At least eleven communities in BC have grocery stores that sell wine on their shelves.

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<sup>28</sup> Proximity of churches, schools, community centres, and parks will likely make siting difficult.

<sup>29</sup> New applications would be subject to review in relation to proximity of churches, schools, community centres, and parks; such restrictions could make siting difficult.

In stakeholder consultation health professionals and representatives of the private liquor industry supported the store-in-store model over wine-on-shelf. VPD also supported the store-in-store model due to greater control and safety.

Staff recommend that Vancouver adopt the store-in-store model to provide the opportunity for liquor retail in grocery stores while also minimizing the increase and health concerns associated with the wine on shelf model.

**Recommendation #26:**

Allow grocery stores to operate the store-in-store model for liquor sales. These stores will have to meet the City's current Liquor Store Guidelines and Provincial design specifications.

***I: FORMALIZE RESTAURANTS THAT OPERATE AS BARS IN EVENING HOURS***

Currently, food primary (FP) businesses in Vancouver must keep their kitchens open during hours when liquor is served - this policy was based on previous Provincial rules, which have recently changed. Restaurants have raised issues with this rule, primarily due to the expense of keeping the kitchen open during late hours when customer demand for food significantly decreases. Provincial regulations now allow a restaurant with food primary liquor licence to apply for a separate liquor primary licence to operate as a bar in the evening, after 9:00 pm. This liquor primary licence confers the same privileges and responsibilities of liquor primary licences held by bars and pubs.

Staff recommend aligning with the Provincial change to allow FP's to operate as LP's in the evening, provided they apply for and meet all LP criteria, including:

- the City's existing protocols for commenting to the Province (support or non-support) on liquor primary licences are followed (e.g. community notification, suitability of location per distancing requirements and zoning; suitability of the building);
- a restaurant holding a Provincial LP licence would be required to take out a City liquor establishment business licence, and would have to meet all conditions of a liquor establishment per the Licence By-law.

In slight variance from the Province, staff propose that restaurants not be allowed to operate under their liquor primary licence until after 10:00 pm, so that full kitchen service is maintained to that hour. This condition will address the concern that residents may be unable to easily access food service after 9:00 pm, depending on uptake from the restaurants to pursue this option.

**Recommendation #27:**

Support applications from existing Food Primaries (FP) to operate under Liquor Primary (LP) licences after 10:00 pm provided that they meet the City's existing procedural and policy standards for LP establishments, including current LP distancing criteria;  
EXCEPT Food Primaries in the DTES and GED, in alignment with moratorium on new LP's in those areas.

Under current City procedures, LP establishments must operate for six months under standard hours before they can apply for extended hours. Staff support that restaurants with an established track record of good business operation (e.g. no history of noise complaints) who obtain an evening hours liquor primary licence be allowed to apply for extended hours after three months.

**Recommendation #28:**

Support restaurants with an established track record of good business operation (e.g. no history of noise complaints) who obtain an evening hours liquor primary licence be allowed to apply for extended hours after three months.

**J: STREAMLINE AND CLARIFY PROCEDURES****Streamline Approval Procedures**

Current City procedure imposes a six month probationary period on new FPs in order to monitor their ability to serve liquor without community impacts. During the probationary period, the FP is required to cease liquor service one hour earlier than other FPs. While this precautionary measure makes sense for new and inexperienced FPs, it is interpreted as unnecessary and burdensome in the case of an experienced operator. Staff recommend reducing the probationary period for experience operators, which aligns with the proposed approach in Recommendation 28 (above).

**Recommendation #29:**

Shorten the probationary period for FPs to three months in cases where the operator has an established track record of adherence to by-laws and terms and conditions of their business licence.

Currently LP establishments may request up to six operating hour extensions per year, for example to operate one hour later on a Tuesday night before a Wednesday Canada Day holiday. These requests are accepted by the City up to a few months prior to the extension, but to date Staff have not accepted requests for the entire year at once. Requesting multiple extensions costs the industry extra processing fees and time when they make the necessary application to the LCLB. There are opportunities to streamline this process from multiple steps into one annual process.

**Recommendation #30:**

Issue up to six approvals for LP hours extensions at one time, provided that the LP has a track record of problem-free operations and adherence to by-laws and terms and conditions of their business licence. The hours extensions requested must fall within the calendar year of the application.

Currently, under the Licence By-law, Council has delegated authority for the Chief Licence Inspector (CLI) to provide comment to the LCLB with respect to liquor licence amendments for changes that are temporary. Provincial regulations allow Council to also delegate this authority with respect to liquor licence amendments for changes that are permanent; however Council has not delegated this authority to the CLI. Delegation of this authority would streamline the Provincial licence amendment process for local businesses and the City, particularly for the small changes that can occur regularly. Staff recommend delegation to the CLI for both temporary and permanent liquor license amendments, with the discretion to bring potentially impactful or controversial applications to Council.

**Recommendation #31:**

Amend the Licence By-law to give the Chief Licence Inspector authority to provide comment to the LCLB on applications for all liquor licence amendments.

In addition to City by-laws that regulate the liquor industry (e.g. Zoning, Licensing, Hours) the City has numerous liquor-related policies and guidelines. The incremental nature of their creation has resulted in policies that are difficult to find, and can be challenging to interpret. In some cases the only available copy of the policy is located in past Council minutes. Eighty-one (81) percent of respondents in the non-random survey were supportive of creating a one-stop resource of all liquor-related policies, guidelines and by-laws within the City, to make it easier to understand the rules.

**Recommendation #32:**

Consolidate all liquor policies into a comprehensive, consistent and clear resource available online. Review and amend existing liquor policies to ensure that they are current and understandable by a broad audience of users. Update the website and any CoV materials with simplified information.

**Future Actions**

Through the liquor policy review process, industry stakeholders identified additional areas in which policy might be updated to create new opportunities and increase clarity:

1. LP Distancing Policy
2. Liquor Store Guidelines
3. Manufacturers Licence and Fees

Staff concur that the LP Distancing Policy and the Liquor Store Guidelines could be reviewed, but sought to maintain these fundamental structures as part of a balanced approach to updating the liquor policy. Upon direction from Council, staff could pursue these additional considerations as a future phase of work.

Per Council direction (December 16, 2015) staff have carried out preliminary work on a new licence fee for liquor manufacturers. However, a review of all business licence and processing fees is planned for 2018; to avoid inconsistency among fees staff propose that a new fee for manufacturers be established as part of that review.

***Implications/Related Issues/Risk (if applicable)***

***Financial***

There are no financial implications.

***CONCLUSION***

Access to liquor establishments and retail outlets can contribute to the vibrancy and economic health of the city, if balanced with protecting communities from short and long term health and safety impacts. Stakeholder and public opinion on liquor policy priorities are diverse, and as a result, the recommendations strive to seek a balance in addressing various perspectives. Through the implementation of these recommendations, the City will effectively update the liquor policies and guidelines to reflect the current City priorities and opportunities available through recent changes in Provincial regulation.

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**Table 5: Number of City policy responses to Provincial changes in liquor policy**

# of Directives issued	# of LCLB policy changes applicable to City policy	# of LCLB policy changes accommodated through existing City policy	# of LCLB policy changes accommodated through change to City policy	# of recommended changes to City policy in this report that accommodate LCLB policy changes	# of LCLB policy changes that could still be accommodated through change to City policy
55	15	3	1	4	9

**Table 6: Summary of Provincial changes to liquor regulation; COV impacts and responses**

Province		Vancouver				
Policy Directive Year-#	Summary of LCLB policy changes	Impacts City policy or by-law	City policy response as of May, 2017	Details of existing City policy/by-law or proposed change		
1	17-02	LP club licensees can now apply for a Special Event Permit (SEP) for a temporary change in liquor service, administrative changes and update criteria for manufacturer.	N	N	None	
2	17-01	Updated Alcohol Sense materials must be displayed at specific locations in establishments and liquor retailers.	N	N	None	
3	16-19	Compliance and enforcement policy changes include penalties, rules regarding appealing enforcement decisions and time limitation for judicial reviews.	N	N	None	
4	16-18	SEP policy changes include licence name change (previously known as SOL), administrative changes and requirements.	N	N	None	
5	16-17	Manufacturer and agent policy changes include non-requirement of a separate agent licence for a BC manufacturer to promote their products off-site, a new definition of production for wineries, requirements for manufacturing equipment, clarification to permit breweries and distilleries to engage in contract manufacturing for other manufacturers, removal of tour area applications for manufacturers to sell/serve liquor as part of their facility tour, new record keeping requirements	N	N	None	

		for breweries and distilleries, minors working but not selling or serving at manufacturing sites, streamline application requirements for promotional events and processes for manufacturer lounge and Special Event Area (SEA), allow liquor service associated with a second manufacturer licence and permitted to purchase up to 20% of stock from other manufacturers, requirement for licensees to apply for a tied house exemption and non-requirement to instruct patrons about unfinished wine storage in a vehicle.			
		Person capacities are required for new picnic areas and new outdoor special event areas.	Y	N	For future consideration
6	16-16	Liquor primary policy changes include allowing liquor primaries to relocate to a new community subject to local government comments, employing minors in liquor primary establishment, providing a free alcoholic drink to hotel guest at check in lobby, allowing hotel patrons to take an unfinished drink to their room, allowing clubs to transition easily to a liquor primary licence, allowing liquor primaries with an off-sales endorsement to deliver liquor, allowing all areas of concert halls and live event theatres to be licenced, permitting minors at licenced recreation facilities for family-focused events, allowing golf course patrons to carry liquor between service areas, no longer requiring local government to provide resolution for its own liquor application and reducing the list of criteria for local government's comments.	N	N	None
		Allow any business except those that operate in a motor vehicle or are primarily directed at minors to apply for a liquor primary licence, to offer liquor as an additional service to their patrons.	Y	N	Propose to allow art galleries and museums to serve liquor, subject to all existing liquor establishment review processes.
		Permit establishments to have dual food primary and liquor primary licensing; for example a restaurant may operate as a restaurant until early evening, and then as a bar until closing. Or, an LP establishment can apply for an FP licence to operate as a restaurant during the day and a bar at night.	Y	N	No change required. Current application processes and licences support this change. No change required to comment on these applications. Operators will be required to hold 2 separate business licences, one as a restaurant and one as a liquor establishment.



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7	16-15	Food primary policy changes include allowing patrons in a hotel liquor or food primary to take an unfinished drink to their room, streamlining promotional event requirements hosted by manufacturers and agents, allowing patrons to BYOW to licenced functions at food primary banquet halls, allowing food primaries to shift the focus of the business away from food service when liquor service isn't occurring, requiring food primaries to notify the Province of liquor-free events, removing requirement to instruct patrons where unfinished wine must be stored in a vehicle and allowing caterers to store liquor off-site.	N	N	None
		Businesses without a primary focus on food service e.g. bookstore, can apply for a food primary licence	Y	N	No change required. Current regulations are in place to require appropriate permits, approvals and licence to allow for ancillary use (e.g. restaurant) of the main use (e.g. bookstore)
8	16-14	General policy changes include change in liability of an establishment after licence is transferred, removal of resident manager requirement and assigning a licensee representative, streamline a reporting requirement on changes in corporate share ownership, Serving It Right (SIR) certification is changed to be an operating requirement, SIR record keeping requirements, age of a shareholder maybe under 19 provided their share is less than 10%, rules about who can advertise liquor, update conditions for dormant licences, notification of an event sponsorship by a manufacturer is no longer required, the right to refuse certain reapplications, new and updated definitions for service area, establishment and event site, flexibility to extend liquor service hours in exceptional circumstances, reporting requirements for specified changes, process change for applications requiring a criminal record check and changes to U-Brew/UVin operating hours, record keeping and reporting requirements, keg sizes for Licensee Retail Store (LRS) and location to manufacture home-brewed beer and wine.	N	N	None
		Local government can create a by-law that authorize staff to provide comment	Y	y	Propose to amend the License By-law to authorize the Chief Licence

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		and make recommendations on applications			Inspector (CLI) to provide comments on permanent liquor primary amendments including patio applications, with the option of bringing specific applications to Council. Currently, CLI has authorization to provide comments on food primary amendments and temporary liquor primary amendments.
9	16-13	Conditions for liquor service delivery and online sales from LRS, wine store and manufacturer with on-site store.	N	N	None
10	16-12	New processing documents are required to prove valid interest e.g. lease, and prove appropriate zoning application or approval by a specified time frame for LRS relocation.	N	N	None
11	16-11	Allow food and liquor primary licences to be located in an outdoor patio only with no interior licensed area for patrons.	Y	N	None
12	16-10	Providing samples in a socially responsible manner in any establishment that sells liquor by restricting sample sizes per person/day and where samples must be provided free of charge and where they may be sold.	N	N	None
13	16-09	Clarify identification checking requirements for minors; Security Programs Division will now regulate all policy decisions on handcuff use in liquor establishments and minimum pricing for off-premises sales from liquor primary establishments.	N	N	None
14	16-08	Remind industry on the prohibition of inducements offered by a liquor supplier to a licensee to promote its products.	N	N	None
15	16-07	Hobby brewers and vintners can apply for an SOL to host a competition on homemade beer, wine and cider	N	N	None
16	16-06	Registered guests in a hotel or resort can receive liquor by room service 24 hours a day.	N	N	None
17	16-05	Independent wine store have until August 19, 2016 to relocate to grocery stores but is limited to the 'store within a store' model where all types of wine may be sold. 100% BC wine may no longer be sold on grocery store shelves.	Y	N	None
18	16-04	Set minimum liquor pricing in LRS, wine stores and manufacturer on-site stores.	N	N	None

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19	16-03	BCVQA stores are permitted to sell 100% BC wine even if not BCVQA certified, subject to BC Wine Institute's approval.	N	N	None
20	16-02	Create a new Special Wine Store (SWS) licence for the sale of 100% BC wine from grocery store shelves, establish auctions to determine application eligibility, and define licence terms, fees and conditions.	Y	N	None
21	16-01	All BC licenced agents and sales staff must be SIR certified except for non-Canadian agents of foreign liquor manufacturers who serve liquor in BC and are supervised by a person who is SIR certified.	N	N	None
22	15-13	Food primary establishments with a patron participation endorsement may allow patrons to dance until 1 am on New Year's Day.	Y	N	None
23	15-12	Repeal the food primary lounge endorsement and related restrictions e.g. live entertainment is permitted without an application, etc.	Y	Y	Propose to allow live entertainment in restaurants up till 1:00 am.
24	15-11	Allow manufacturers to sell liquor in artisan and annual holiday markets thereby expanding and relaxing market eligibility criteria.	Y	Y	Propose to allow a maximum of 3 manufacturers to sell liquor in artisanal and annual holiday markets Maximum to be stipulated on special event business licence.
25	15-10	Allow liquor suppliers to loan brand-identified refrigerators as a promotional tool to liquor and wine stores.	N	N	None
26	15-09	Introduce a new Site Assessment Tool (SAT) for liquor inspectors to evaluate risk factors for SOL applications	N	N	None
27	15-08	Temporary policy from Sept. 18 to Oct. 31, 2015 for liquor primary establishments to host televised Rugby World Cup games outside normal liquor serving hours with no liquor service.	N	N	None
28	15-07	Interim measure to allow manufacturers with a lounge or special event area to sell limited amount liquor produced by other manufacturers i.e. < 20% of total liquor value.	N	N	None
29	15-06	Clarify advertising policy for government liquor stores, to be consistent with private liquor stores.	N	N	None
30	15-05	Independent wine store licensee may apply to convert to a retail store licence that allows sale of all types of liquor products but restricts sale of wine on grocery store shelves and special event.	Y	N	No change required. Liquor Store Guidelines on location and distancing of liquor retail stores remains.

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31	15-04	All records except for certain unique U-Vin and U-Brew records must be kept for at least 6 years.	N	N	None
32	15-03	Mandatory display of Alcohol Sense social responsibility materials in licenced establishments and private liquor stores	N	N	None
33	15-02	Policy changes to and online implementation of the SOL program, to improve customer service and effective licensing of events.	N	N	None
34	15-01	Allow liquor to be sold in grocery stores and changes to the 5 km rule for liquor retail relocations.	Y	N	Propose to allow liquor retail stores to relocate in grocery store, adopting the 'store within a store' model. Liquor Store Guidelines apply to distancing and location relocation.
35	14-21	Event-oriented liquor primaries e.g. arenas, stadiums are not required to de-licence prior to allowing a manufacturer to sell liquor at a farmers' market in the liquor establishment.	N	N	None
36	14-20	Update SIR requirements and introduces Special Event Server (SES) training program including mandatory requirements, expiry, recertification and fees.	N	N	None
37	14-19	Liquor primary establishments with a Family Foodservice Term and Condition are not required to clear all patrons from the establishment ½ hour prior to licenced hours, but will still have to clear patrons for an evening alternate use event.	N	N	None
38	14-18	Liquor primary and manufacturers with a lounge endorsement are allowed an unlimited number of all-ages liquor-free events; requiring a temporary change of terms and conditions	N	N	
39	14-17	U-Brew and U-Vin establishments can now change their name to Ferment-on-Premises establishments, to align with federal legislation.	N	N	None
40	14-16	Ski hills or golf courses licencees may apply for a Temporary Use Area endorsement to extend their licenced activities to outdoor areas up to 26 times a year.	N	N	None
41	14-15	Amend and replace the minimum pricing Policy Directive #14-07	Y	N	New Provincial minimum pricing is more restrictive than City pricing (Licence By-law). Most restrictive pricing must be observed by operators

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42	14-14	Harmonises Temporary Licence Extension (TLE) with SEP and define terms and approval process for TLE.	N	N	None
43	14-13	Minors are allowed in liquor primary and club establishments until 10 pm for the purposes of family dining and they may work in these establishments provided they do not sell or serve liquor.	N	N	None
44	14-12	LRS and wine store may apply for a temporary endorsement to sell their products for off-site consumption at tasting-focused food and beverage festivals.	N	N	None
45	14-11	A manufacturer with an on-site store endorsement may apply to sell their products at a farmers' market.	Y	Y	Zoning and Licence By-laws amended farmers' market definition to include sale of liquor products. (2015)
46	14-10	Patrons are allowed to carry liquor between adjoining liquor establishments provided it's the same licensee for both premises.	N	N	None
47	14-09	A licensee is allowed to transfer small amounts of liquor to another licensee, with certain limitations.	N	N	None
48	14-08	A family event SOL licensee is allowed to serve liquor at no charge at a residence or a licenced U-Brew or U-Vin, and U-Brew and U-Vin owners are permitted to own other liquor establishments.	N	N	None
49	14-07	This directive is replaced by 14-15	N	N	No longer relevant
50	14-06	The ethyl alcohol (formerly 'pure grain alcohol') permit program is changed to allow certain people/organizations e.g. dentists, pharmacists, hospitals, etc. to purchase ethyl alcohol without a permit.	N	N	None
51	14-05	All licensees except for caterers and U-Brew or U-Vin may now store liquor off-site, and the process to store for manufacturers has been streamlined.	N	N	None
52	14-04	Clarify policy and add as licence terms and conditions regarding handing out manufacturer's take-home samples in public.	N	N	None
53	14-03	Stadium licensees may now sell all liquor types but hawkers and concession stands may not sell shooters. Hawkers are no longer restricted to stands and may sell in other public areas of the facility subject to approval.	N	N	None
54	14-02	Allow whole-site licensing of public SOL, eliminating beverage gardens except	N	N	None

**APPENDIX A SUMMARY OF PROVINCIAL LIQUOR DIRECTIVES & APPLICABILITY TO CITY  
POLICY  
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		where it is in the public interest to impose them and to allow the sale and service of spirits at public SOL.			
55	14-01	This directive is not available in the provincial web page	N	N	None
	Policy Year-#	7 Policy Recommendations - Work In Progress	Applicable to City policy/by-law	City policy/by-law change	Details of City Change
1	N/A	Encourage warning labels on liquor products	N	N	N/A
2	N/A	Review LCLB and other jurisdictions' enforcements penalties to ensure BC's penalty levels are appropriate	N	N	N/A
3	N/A	Develop a policy that standardizes non-liquor product types that can be sold in liquor retail stores	N	N	N/A
4	N/A	Allow manufacturers to sample and sell their products to the public at off-site locations	Y	N	N/A
5	N/A	Create an annual SOL for organizations that hold occasional meetings or activities throughout the year that includes safe storage and transport of unconsumed liquor for future events.	Y	N	N/A
6	N/A	Introduce a new licence class and streamline application process for facilities (e.g. stadiums, arenas and theatres) that charge a fee for an event (e.g. sporting event or play)	Y	N	N/A
7	N/A	Allow private and public liquor retail stores to sell growlers (refillable bottles) and operate refilling stations.	N	N	N/A

**Surveys: Three public opinion surveys were conducted**

SURVEY INSTRUMENT	REPRESENTATION	# OF PARTICIPANTS
Spring 2016: Talk Vancouver online survey	Non-random	9236
Fall 2016: Talk Vancouver online survey	Non-random	5515
Fall 2016: Mustel telephone survey	Random	502

**Organizations and groups represented at in-person consultation**

- |  |  |
|--|--|
| Arts and Culture Policy Council                        | Vancouver Area Network of Drug Users       |
| Arts and Culture Policy Council - Spaces Sub-committee | Vancouver Coastal Health                   |
| Association of Beverage Licenced Establishments        | Vancouver Economic Commission              |
| BC Craft Brewers Guild                                 | Vancouver Liquor Primary Association       |
| BC Craft Distilling Association                        | Vancouver Musicians' Association           |
| BC Wine Institute                                      | Vancouver School Board                     |
| Barwatch   | Vancouver Professional Theatre Association |
| Business Improvement Association Partnership           | Western Aboriginal Harm Reduction Society  |
| Business Improvement Association Liaison Committee     | Individuals from industry and community    |
| Campaign for Real Ale (CAMRA), Vancouver               | Vancouver Board of Parks and Recreation    |
| Centre for Addiction Research BC                       | Vancouver Police Department                |
| Downtown Vancouver Business Improvement Association    | City of Vancouver                          |
| Downtown Eastside Stakeholders                         | Licensing                                  |
| Eastside Illicit Drinkers Group for Education          | Development Services                       |
| Hotel Association                                      | Downtown Planning                          |
| MJB Lawyers  | DTES Planning Group                        |
| Rising Tide Consultants                                | DTES Economic Development                  |
| Tourism Vancouver                                      | Social Policy                              |
|  | Engineering                                |
|  | Legal                                      |

## **By-law Amendments**

To fulfil the recommendations in this report, the following by-laws will be prepared.

### Licence By-law Amendments

- To give the Chief Licence Inspector authority to provide comment to the LCLB on applications for liquor licence amendments.
- To allow live entertainment in restaurants during all hours of liquor service
- To create a liquor establishment class 8 licence; the licence will be issued to arts and culture that hold a provincial Liquor Primary licence as ancillary licence.

### Business Premises Regulations of Hours By-law

- Amended to allow manufacturers' lounges in industrial districts to operate until midnight.



***Draft Policy on Liquor Licensing for Arts and Culture Based Establishments***

*As of January 2017, Provincial regulations allow any business, except those that operate out of a motor vehicle or whose business is predominantly aimed at minors, to sell and serve alcohol. The business must apply to the Province for a liquor primary licence; the terms of the Provincial licence will state that liquor service is ancillary to the primary business. Liquor must be sold and may not be offered as complementary. The licenced area can overlap all or part of the business, or it can be adjacent to the primary business.*

*Given City liquor policy aims to balance access to liquor with the goal to protect public health and safety, only applications from arts and cultural organizations will be considered on a case by case basis. Support for the application will be subject to all existing Liquor Primary review processes and protocols, including issuance of a time-limited development permit.*

*Because liquor is not the primary business, LP distancing restrictions will not apply.*

*Businesses holding this liquor primary licence will be required to maintain records of liquor sales receipts and must produce them for inspection by the Chief Licence Inspector.*