



COUNCIL REPORT

Report Date: May 31, 2024
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Meeting Date: June 12, 2024
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TO: Standing Committee on Policy and Strategic Priorities
FROM: General Manager of Development, Buildings and Licensing
SUBJECT: Council Resolution – Brewery Lounges

Recommendations

THAT Council adopt the resolution, attached to this report as Appendix A, not to enforce for a period of two years, the Zoning and Development By-law maximum floor area restrictions for a lounge use accessory to Brewing use located within the principal building.

Purpose and Executive Summary

This report seeks Council's approval of a resolution to suspend enforcement of the maximum permitted floor area regulation related to brewery lounges for a period of two years. The purpose of the non-enforcement resolution is to provide flexibility and an immediate opportunity for brewery operators to expand the space used to serve their product while policy work is conducted. Brewing operations are currently located in manufacturing and industrial zones and would continue to be subject to all other regulations in the Zoning and Development By-law and other relevant by-laws such as the Vancouver Building By-law. Note, this temporary non-enforcement does not apply to distilleries as they have a different risk profile than breweries.

If approved by Council, the resolution would also enable staff to assess the impact of these temporarily expanded spaces, as well as options to update the Zoning and Development By-law regulations for a longer-term resolution.

Council Authority/Previous Decisions

There is no applicable Council authority or previous decisions relevant to this report.

City Manager's Comments

The City Manager concurs with the foregoing recommendations.

Context and Background

The City began engaging with the Hospitality Sector Working Group in 2023 with a focus on liquor policy, licensing and permitting process improvements. One of the issues discussed was an opportunity to revisit the size limit of brewing lounges.

In November 2023, the BC Craft Brewers Guild spoke to Council and addressed lounge size concerns, noting the economic challenges the industry is facing and the importance of revisiting the restriction. There was a meeting with staff and industry in January 2024, where staff provided background on the rationale and process to consider changes to the regulations and discussed the idea of an interim ‘non-enforcement’ of the lounge size regulation.

Discussion

Risk implications

Staff understand that endorsing this resolution is unlikely to result in any safety issues because any lounge expansions allowed through the non-enforcement resolution cannot include any construction requiring a building permit. Expanding the interior lounge outside of the allowances of the Temporary Non-Enforcement may result in other requirements, including compliance with the Building By-law and the Parking By-law.

While Council can adopt a non-enforcement resolution, other parties could seek to enforce the by-law. Any property owner in the City can seek to enforce the Zoning and Development By-law in court, because of section 334 of the Vancouver Charter. This is unique to Vancouver.

Stakeholder Analysis

In February of 2024, the BC Craft Brewers Guild set up a member survey for 19 Vancouver breweries to inquire about current available space and interest in increasing their lounge spaces beyond 80 square metres. Of the 11 respondents, 9 noted that they would like to expand beyond the 80 square metres of lounge space currently allowed. Future work would include engaging with breweries on regulations to facilitate lounge space expansion through amendments to the Zoning and Development By-law.

Financial Implications

There are no financial implications associated with this report’s recommendations.

Legal Implications

The City does not have a general duty to strictly enforce all its by-laws and policies. The Courts have acknowledged this discretion and have considered resolutions to not enforce by-laws and policies to be supportable, in circumstances associated with by-law and process reviews.

The Liquor and Cannabis Regulation Branch (LCRB) oversees the provincial liquor and cannabis regulations (the rules and laws that govern BC's retail sale and consumption of liquor and cannabis). If a brewery has space available to take advantage of this opportunity, it will need to apply to amend its location in accordance with the LCRB’s requirements.

APPENDIX A**RESOLUTION OF COUNCIL**

WHEREAS staff are directed to consider and re-evaluate the floor area regulations related to indoor lounge use accessory to brewing for a period of two years to monitor whether changes to the relevant by-laws are supportable.

THEREFORE Council resolves that:

During this two-year period of Temporary Non-Enforcement, the floor area requirements of the Zoning and Development By-law will not be strictly enforced in relation to lounge use accessory to a brewery use in the following district schedules and sections:

Zone	Section
FC-2	3.4.1.1(v)(A)
I-1, I-1A, I-1B,	3.1.1.1(b)(ii)(A)
I-1C	3.1.1.1(c)(i)
I-2, I-4	3.1.1.1(b)(v)(A)
I-3, IC-1, M-1	3.1.1.1(b)(iii)(A)
IC-2	3.1.1.1(b)(i)
IC-3	3.1.1.1(c)(ii)(A)
M-2	3.1.1.1(b)(iv)(A)

In order to determine the efficacy of the pilot project, City staff will report back to Council regarding this review no later than June 30, 2026, and recommend regulatory amendments as needed.