

DATE OF MEETING June 20, 2016

AUTHORED BY DAVID STEWART, PLANNER, PLANNING AND DESIGN

SUBJECT LIQUOR LICENCE APPLICATION NO. LA000120

OVERVIEW

Purpose of Report

To present Council with a liquor licence application to permit a 30-person manufacturer's lounge within the existing Arbutus Distillery building located at 1890 Boxwood Road.

Recommendation

That Council recommend that the Liquor Control and Licensing Branch (LCLB) approve the application to permit a distillery lounge endorsement for an existing distillery manufacturing business located at 1890 Boxwood Road.

BACKGROUND

A notice of an application was received from Mr. Michael Pizzitelli requesting a local government resolution in support of his application to the LCLB to permit a lounge endorsement for the existing distillery at 1890 Boxwood Road. If approved, the lounge endorsement will allow the licensed distillery to sell and serve their products by the glass (or other single serving) in a designated interior lounge area onsite. Sales and service may also include other kinds of liquor for consumption onsite, provided that the sales of products not distilled or brewed onsite do not exceed 20% of the total product sales in any given quarter. Food and non-alcoholic beverages must be available during all hours of liquor service.

Hours of service and capacity are subject to local government consideration and comment. A municipal resolution is required before the Province will consider the application further.

DISCUSSION

The applicant is proposing to add a 30-person manufacturer's lounge within the existing Arbutus Distillery building located at 1890 Boxwood Road. The proposed hours of liquor service are from 11am to 11pm. The lounge is to be located within an existing portion of the distillery that includes a retail area, tasting room, and a small office area. The proposed lounge use requires 10 parking spaces, plus an additional 5 spaces for the remaining distillery area; 16 parking spaces are currently provided onsite.

The subject property is located in the Greenrock Industrial Park, and is zoned Light Industrial (I2). While a lounge is not listed as a permitted use within the I2 zone, given that the LCLB restrictions tie the lounge to the distillery use, Staff is of the opinion that a manufacturer's lounge is permitted as an ancillary use.

Regular Council Meeting

2016-JUN-20

Provincial and Municipal Application Review and Requirements

As Council is aware, a local government resolution is required before the LCLB will consider the application further. The LCLB has requested that the local government comment on the following criteria:

- The location of the lounge
- The proximity of the lounge to other social or recreational facilities
- The person capacity, and hours of service of the lounge
- The impact of noise on the community in the immediate vicinity of the lounge
- The impact on the community if the application is approved.

Staff has reviewed the above criteria and has provided comment included within Attachment A.

Public Consultation

As a requirement for any new liquor licence application, a public meeting was held following the public hearing on 2016-JUN-02. The public meeting was advertised in the 2016-MAY-24 and 2016-MAY-26 editions of the Nanaimo News Bulletin. A notice and comment sheet was delivered to all residents, businesses, and property owners within 100m of the subject property which included details of the public meeting. No members of the public chose to speak during the public meeting.

Those who received notices were encouraged to provide comments by email or by returning the comment sheets delivered. A total of seven comments were received, with seven in support of the application and none opposed. A summary of the responses is included as Attachment D.

SUMMARY POINTS

- The application, if approved, will allow for a 30-person lounge ancillary to the operation of the Arbutus Distillery within the same building.
- Given the subject property's location, the limited capacity, and hours of the proposed lounge, Staff does not anticipate the lounge will result in any noise or disturbance for adjacent property owners.
- A public meeting was held on 2016-JUN-2 regarding the application. With the exception of the applicant, no one spoke to the application during the meeting.

ATTACHMENTS

Attachment A: LCLB Criteria - Staff Comment
Attachment B: Location Plan
Attachment C: Applicant's Letter of Rationale
Attachment D: Public Comment Sheets
Attachment E: RCMP Response

Submitted by:



B. Anderson
Manager, Planning and Design

Concurrence by:



D. Lindsay
Director, Community Development

ATTACHMENT A

Liquor Control and Licensing Branch Criteria- Staff Comment

LA120 - 1890 Boxwood Road - Application for a Manufactures Lounge Endorsement

1. The location of the lounge

The subject property is located at 1890 Boxwood Road within an existing light industrial park. The subject property is also designated Light Industrial within the OCP. While a lounge is not listed as a permitted use within the I2 zone, given the LCLB restrictions tie the lounge to the distillery use, Staff is of the opinion a manufacturer's lounge is permitted as an ancillary use. No residential uses exist within 100m of the subject property. The property can accommodate the required parking for the requested lounge on site.

2. The proximity of the lounge to other social or recreational facilities;

Two other liquor related businesses exist within same industrial park as the subject property. The southern side property line is shared with the rear lot line of the Greenrock liquor store located at 1860 Dufferin Crescent. A community meeting room is included within the lower floor of the liquor store. The Longwood Brewery (2046 Boxwood Road) is located at the opposite end of the same industrial park; approximately 680m from the subject property. The Brewery has a tasting room but no lounge at this location. While no public recreational facilities are located within close proximity of the subject property, a number of private recreational facilities and commercial schools are found within the industrial park. The Vibe Dance Studio (1969 Boxwood Road) is located approximately 180m from the subject property. The closest school (Ecole Quarterway Elementary) is approximately 620m from the subject property. It is Staff's opinion that the nearby social and recreational facilities will not conflict with the operation of the manufacturer's lounge.

3. The person capacity and hours of service of the lounge;

The proposed capacity of the lounge is 30 persons (inclusive of staff and patrons) as per the approved occupant load. The hours of service requested are 11am to 11pm Monday - Sunday. The proposed hours are consistent with the City's Hours of Service Policy, which does not support the extension of liquor service hours past 1:30 am. A larger capacity would not be supported as the lounge must continue to be ancillary to the primary manufacturing use.

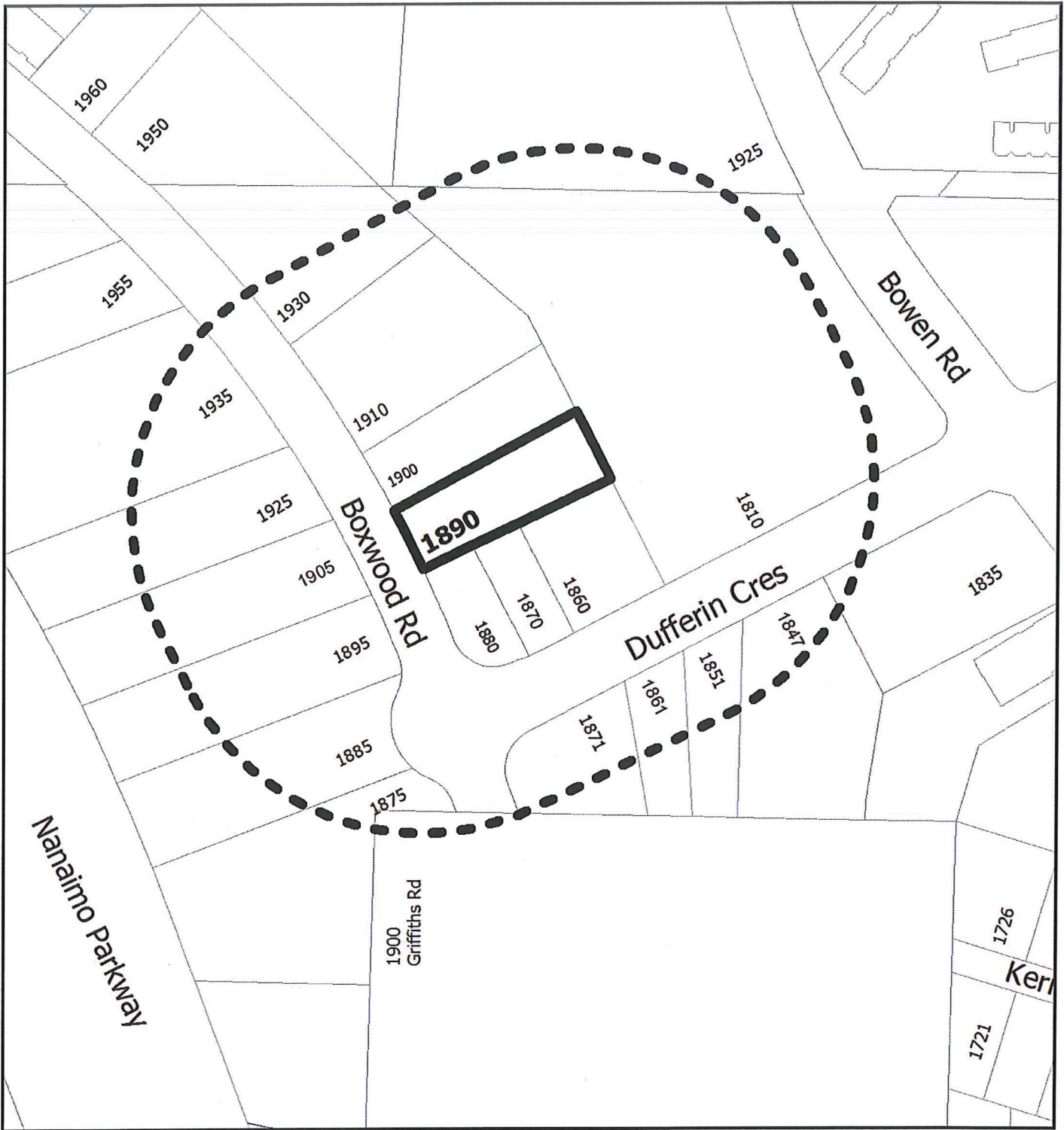
4. The impact of noise on the community in the immediate vicinity of the lounge; and

The closest residential property is over 150m from the subject property. Given the subject property location, and the limited capacity and hours of the proposed lounge, Staff does not anticipate the lounge will result in any noise concerns.

5. The impact on the community if the application is approved.

As part of any liquor license application, Council is asked to weigh the social and economic benefit of extended entertainment opportunities against concerns related to potential liquor-related noise and disorder. If the application is approved the impact is expect to be positive in that will provide a licensed venue type unique to Nanaimo and support the growth of tourism and local industry. The RCMP do not believe the proposed lounge will result in public disorder, noise or criminal activity but suggest a limited person capacity (15 to 20 patrons) to ensure the licensee has adequate staff and supervision to provide responsible liquor service. A copy of the RCMP referral response is included as Attachment E within this report.

ATTACHMENT B



LIQUOR LICENSE APPLICATION NO. LA000120



LOCATION PLAN

Civic: 1890 Boxwood Road
Lot 10, Section 15, Range 8,
Mountain District, Plan EPP15172

-  **Subject Property**
-  **Notification Area**

ATTACHMENT C

Letter of Rationale

Arbutus Distillery – Lounge Endorsement Proposal

Background.

Arbutus Distillery is classified under the BC Liquor Board as a 'Craft Distillery', where the facility must use entirely BC raw agricultural inputs for the production of its spirits. Under recent amendments initiated in 2013 updating the BC provincial Liquor Control and Licensing act, distilleries meeting the 'craft' criteria are permitted to hold 'Lounge Endorsements' in a similar manner granted to all BC wineries several decades ago. A lounge endorsement, essentially allows the distillery to serve beverages/cocktails made from its manufactured spirits within its already licensed sampling area.

Notably, more restricted than the common 'liquor primary license', a lounge endorsement must be held on-site attached to the manufacturing facility, must have 80% of alcohol beverage sales made from it's own spirits.

Currently, Arbutus Distillery holds licenses and operates an on-site retail and tasting bar, where patrons may sample legally allocated capped amounts of straight spirits, purchase bottles if desired along with tour offerings. The nature of this application seeks for the addition of a Lounge Endorsement in the current distillery licensed tasting bar.

To date there are approximately 27 licensed distilleries in BC, many of which already possess lounges within their respective distilleries. While the BC Liquor Licensing Control Board's (LCLB) new initiatives permits lounges as discussed, one of the issues commonly encountered has been that on a municipal level this new type of license does exist under municipal definitions. In other instances, this has been circumvented by permitting a lounge endorsement as an ancillary use to the distillery, which the City of Nanaimo has proposed as acceptable.

To date the LCLB has assessed and deemed Arbutus Distillery eligible to hold a lounge endorsement, pending Site and Community Assessment (CSA) from the City of Nanaimo.

Nature of Proposed Lounge

The intent of Arbutus Distillery's proposed lounge is to enhance the nature of our current tasting room/retail area, where customers are limited to the legal allocated straight samplings and may purchase our manufactured spirits on-site, to additionally providing seating and the option to purchase signature cocktails tailored around our spirits in a small lounge setting. As required, non-alcoholic beverages and food options will also be available. We aim to provide a comfortable space, with relaxed music, and furniture to seat patrons within our limited 30

ATTACHMENT D



1890 BOXWOOD ROAD (ARBUTUS DISTILLERY) - APPLICATION FOR A MANUFACTURES LOUNGE ENDORSEMENT

PUBLIC NOTICE AND COMMENT SHEET

Mr. Michael Pizzitelli is requesting a local government resolution in support of his application to the Provincial Liquor Control and Licensing Branch (LCLB) to permit a lounge endorsement for the existing distillery at 1890 Boxwood Road. The applicant is proposing to add a 30 person manufacturer's lounge within the existing Arbutus Distillery building located at 1890 Boxwood Road. The proposed hours of liquor service are from 11am to 11pm.

If approved, the lounge endorsement will allow the licensed distillery to sell and serve their products by the glass (or other single serving) in a designated interior lounge area onsite. Sales and service may also include other kinds of liquor for consumption onsite, provided that the sales of products not distilled or brewed onsite do not exceed 20% of the total product sales in any given quarter. Food and non-alcoholic beverages must be available during all hours of liquor service.

Using this comment sheet, please indicate your name and address and whether or not you support the application. Feel free to add any comments. When finished, please mail, fax, email or drop off this comment sheet by Thursday, 2016-JUN-02 to:

Planning and Design Section

Service and Resource Centre

411 Dunsmuir Street, Nanaimo BC V9R 0E4

Fax: 250-755-4439 Email: david.stewart@nanaimo.ca

The application will appear before Council at a public meeting immediately following the close of the City of Nanaimo Public Hearing which will be held on Thursday, 2016-JUN-02 at 7pm in Shaw Auditorium, Vancouver Island Conference Centre, located at 80 Commercial Street. You are welcome to attend the public meeting and speak to this application. Following the public meeting a report including all comments received is tentatively scheduled to return to Nanaimo City Council on 2016-JUN-02 for Council recommendation. If you have any questions or wish to speak to the application, please contact David Stewart at 250-755-4460, x4332.



I SUPPORT THE APPLICATION.



I DO NOT SUPPORT THE APPLICATION.

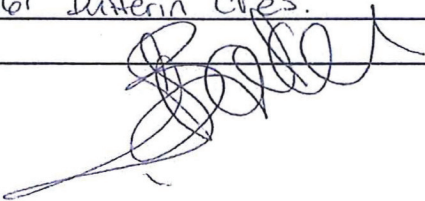
Comments: _____

For Residents

For Businesses

Name: _____ Business Name: The Buzz Coffee House

Address: _____ Address: 1861 Dufferin Cres.

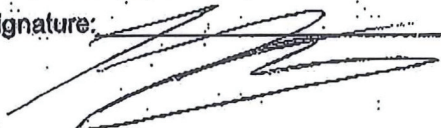
Signature: _____ Signature: 

I SUPPORT THE APPLICATION.

I DO NOT SUPPORT THE APPLICATION.

Comments: _____

For Residents
Name: Ryan Wenner
Address: _____
Signature: _____

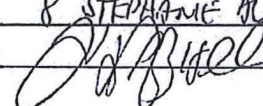
For Businesses
Business Name: Boxwood Holdings
Address: 1930 Boxwood Road
Signature: 

I SUPPORT THE APPLICATION.

I DO NOT SUPPORT THE APPLICATION.

Comments: WE SHOULD SUPPORT OUR LOCAL NEW INDUSTRIES!

For Residents
Name: _____
Address: _____
Signature: _____


For Businesses
Business Name: JUSTO19 CNT. INC.
Address: 8 STEPHANIE AVE STAMFORD CT.
Signature: 

I SUPPORT THE APPLICATION.

I DO NOT SUPPORT THE APPLICATION.

Comments: _____

For Residents
Name: _____
Address: _____
Signature: _____

For Businesses
Business Name: NEWCOMB ENGINEERING
Address: 1900 Boxwood - NANTUCKET
Signature: 



I SUPPORT THE APPLICATION.



I DO NOT SUPPORT THE APPLICATION.

Comments: _____

For Residents

For Businesses

Name: _____ Business Name: GRIGG DIST.
Address: _____ Address: 1935 Boxwood
Signature: _____ Signature: [Signature]



I SUPPORT THE APPLICATION.



I DO NOT SUPPORT THE APPLICATION.

Comments: _____
MCGREGOR & THOMPSON HARDWARE LTD
BUILDING OWNER KENNEDY HOLDINGS.

For Residents

For Businesses

Name: _____ Business Name: MCGREGOR & THOMPSON
Address: _____ Address: 1920 Boxwood
Signature: _____ Signature: [Signature]



I SUPPORT THE APPLICATION.



I DO NOT SUPPORT THE APPLICATION.

Comments: _____

For Residents

For Businesses

Name: _____ Business Name: Best Paw Forward Robyn Anderson
Address: _____ Address: 1851 Dufferin Cres
Signature: _____ Signature: [Signature]

ATTACHMENT E



**Royal Canadian
Mounted Police**

**Gendarmerie royale
du Canada**

Security Classification
/Designation
Classification/désignation

RCMP Nanaimo
303 Prideaux Street
Nanaimo, BC V9R 2N3

Your File - Votre référence

LA120

Our File - Notre référence

City of Nanaimo
Attention: Dave Stewart
Planning and Design Section

Date

June 1, 2016

Dear Sir,

Arbutus Distillery – Application for a Manufacturer’s Lounge Endorsement


We are in receipt of your memorandum advising that Mr Michael Pizzitelli is requesting a local government resolution in support of his application for a 30 person manufacturer’s lounge at the Arbutus Distillery building located at 1890 Boxwood Road. The hours of proposed liquor service are 11 am to 11 pm.

It is our understanding that the purpose of the license is to sell and serve their distilled products by the glass or other single serving in an onsite designated interior lounge.

The proposed venue would not be expected to impose increased demand for police resources if it is managed in a responsible manner. There is no reasonable expectation that a manufacturer’s lounge would result in public disorder, noise or criminal activity. However, it is our understanding that lounge venues of this type typically have a smaller licensed capacity (15 – 20 patrons). It is respectfully suggested that if the purpose of the license is to permit customers to sample products in a lounge setting, that a more modest capacity would be appropriate to ensure that the licensee has adequate staff and supervision to provide responsible liquor service.

Thank you for the opportunity to provide comment on this application.

Yours truly,


Mark Fisher, Superintendent
Officer in Charge, Nanaimo Detachment

Canada