

DATE OF MEETING | May 27, 2019 |

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**SUBJECT | LIQUOR LICENCE APPLICATION NO. LA000135 –
11 CLIFF STREET |**

OVERVIEW

Purpose of Report

To present Council with a liquor licence application to permit a manufacturer's lounge endorsement within a proposed brewery (Hub City Ales) to be located within Units N & O at 11 Cliff Street.

Recommendation

That Council recommend that the Liquor Cannabis and Regulation Branch approve the application to permit a lounge endorsement for a proposed brewery manufacturing business to be located at 11 Cliff Street.

BACKGROUND

A Notice of Application was received from Hub City Ales, on behalf of 1133599 BC Ltd., requesting a local government resolution in support of their application to the Provincial Liquor and Cannabis Regulation Branch (LCRB) to permit a lounge endorsement in conjunction with the proposed liquor manufacturing licence application. Council is asked to comment on the lounge endorsement only and not the liquor manufacturing (brewery) application.

If approved, the lounge endorsement will allow the brewery to sell and serve their products by the glass (or other single service) in a designated lounge area within the building and onsite patio area. Sales and service may also include other kinds of liquor for consumption, provided that the sale of products not distilled or brewed onsite does 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.

Council supported similar lounge endorsements for Arbutus Distillery (1890 Boxwood Road) on 2016-JUN-19 and Wolf Brewery (940 Old Victoria Road) on 2018-APR-23.

An information report related to the application was received by Council on 2019-APR-01 and the application was received for public comment during the 2019-MAY-02 Special Council Meeting (Public Hearing).

DISCUSSION

The applicant is proposing to include a manufacturer’s lounge within the proposed brewery in an existing building consisting of an interior lounge area and an outdoor patio, with a combined capacity for 48 persons. The proposed brewery includes an interior area of 165m², with a patron area of 42.7m², and an outdoor patio area of 18.5m². The proposed hours of service are as follows:

Sunday	Monday to Thursday	Friday and Saturday
11 a.m. to 6 p.m.	3 p.m. to 11 p.m.	11 a.m. to midnight

Provincial and Municipal Application Review and Requirements

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

1. The location of the lounge

The subject property is located on Terminal Avenue (a provincial highway) and is included within the Downtown Centre Urban Node in the City’s Official Community Plan (OCP). The Downtown Centre Urban Node is described as a “city-wide and regional centre for arts and culture, celebrations and festivals, commercial services, civic facilities, government and professional offices, and higher-density residential.” The character of the downtown is further defined within the Nanaimo Downtown Plan which is used as the guiding document for new development within the downtown. The subject property is identified as a gateway within the downtown plan and is included in the Terminal Avenue (DT4) zone. A micro brewery, lounge, and neighbourhood pub are all permitted uses within the DT4 zone.

The proposed brewery and lounge will be located within an existing commercial building and will share the subject property with a number of other uses, including a bus terminal, contractor’s office, courier service, wholesale battery store, and auto glass repair shop. A number of businesses in the area have expressed concerns related to the impact of the proposed lounge on parking, onsite traffic flow, and security. The property is currently fenced and gated, and the applicants will lock the gate at the close of business hours.

Seven parking spaces will be leased and signed for the exclusive use of the brewery, and lounge staff and patron use. The primary business hours for the proposed lounge will be late afternoon and evenings when the majority of the other businesses are closed. Additional public parking is available within Maffeo Sutton Park (approximately 73m from the subject property), at the corner of Wallace and Wentworth Streets (approximately 238m from the subject property), and at the Bastion Street Parkade (approximately 326m from the subject property). Commercial parking is not required within the downtown.

Neighbouring land uses around the subject property are predominately retail- and highway-oriented commercial uses, including car sales, service, and rental. The closest residential developments to the subject property include:

- A three-unit multiple-family development located on the rear portion of 57 Skinner Street (with units accessed from Skinner and Cliff Streets) approximately 94m from the proposed lounge building;
- A six-storey residential/live-work building located at 10 Chapel Street approximately 113m from the proposed lounge; and
- A high-rise residential development (1 Chapel Street) is located approximately 132m from the subject property.

In addition to the above, a mixed-use high-rise development is proposed for 77 Chapel Street and a residential/ live-work development is currently under construction at 91 Chapel Street. The City's Economic Development Officer has stated that craft breweries are often more successful if within walking distance of apartments or housing.

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

The subject property is located immediately adjacent to White Sails Brewing, a micro brewery pub with a liquor primary license. The subject property's close proximity to another craft brewery with a lounge area creates the opportunity to develop a craft brewery district. Brewery districts have succeeded in other jurisdictions, such as Vancouver, Portland, Victoria and Port Moody, in revitalizing neighbourhoods and attracting residents and tourists. White Sails Brewing is currently part of the 'BC Ale Trail' promoted by Tourism Nanaimo. Craft breweries have a positive economic impact on a community and support tourism.

The subject property is located within Nanaimo's downtown core, an area with a high concentration of restaurants and liquor-primary establishments; however, with the exception of White Sails, the majority of liquor-primary licensed establishments are located elsewhere (closer to Skinner Street) in the downtown area. Given the downtown location, limited hours of service, and low occupant load of the proposed lounge, Staff do not have any concerns related to the proximity of the proposed lounge to other liquor-licensed establishments.

The subject property is approximately 67m from Maffeo Sutton Park. The lounge brewery adds a new social venue that may complement events held within the park. École Pauline Haarer Elementary School is approximately 178m from the subject property and separated from the site by a provincial highway.

3. The person capacity and hours of the lounge

The person capacity of the lounge is 48 persons, including the patio area (inclusive of staff and patrons), as per the approved occupant load. The proposed hours of service are Sunday 11 a.m. to 6 p.m.; Monday to Thursday 3 p.m. to 11 p.m.; and Friday and Saturday 11 a.m. to midnight. The proposed hours are consistent with the City of Nanaimo's Hours of Service Policy, which does not support the extension of liquor service hours past 1:30 a.m.

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

The subject property is located adjacent to a provincial highway within the downtown core. The applicant has stated outdoor music or entertainment will not be played or provided on the patio. Only three residential units exist within 100m of the proposed lounge area. Other residential developments within 200m of the subject property are elevated well above the subject property on Chapel Street. Given the separation of the subject property from existing residences and the limited late night hours of the proposed lounge, Staff do not anticipate the proposed lounge will result in excessive noise or disturbance to the surrounding community.

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

As part of a liquor licence application for any establishment within the downtown core, Council is asked to weigh the social and economic benefit of extended entertainment opportunities within the downtown core against concerns related to potential liquor-related noise and disorder. The RCMP note that, due to the small capacity of the proposed lounge venue, the application will not significantly impact safety and security. The City's Economic Development Officer notes that the economic impact of the proposed brewery and lounge is positive.

Public Consultation

As required for any new liquor licence application, the application was presented at a Special Council Meeting on 2019-MAY-02, in order to provide the public the opportunity to speak to the liquor license application. The meeting was advertised in the 2019-APR-23 and 2019-APR-25 editions of the Nanaimo News Bulletin. A notice and comment sheet were delivered to all residents, businesses, and property owners within 100m of the subject property, and included details of the Special Council Meeting. With the exception of the applicant, no one spoke to the application at the Special Council meeting.

Those who received notices were encouraged to provide comments by email or by returning the comment sheets delivered by mail. A total of 13 comment sheets were received, with six in support of the application and seven against. Four of those not in support of the application expressed concerns related to on-site traffic flow and parking on the subject property. Others noted concerns related to noise from the patio and the proximity of the proposed lounge to the existing liquor primary, White Sails Brewing. Those in support of the application commented on the proposed lounge and brewery's potential to revitalize the area. A summary of the public responses received is included as Attachment D.

SUMMARY POINTS

- The application, if approved, will allow for a 48-person lounge ancillary to the operation of a proposed brewery located within an existing building, including an outdoor patio area on the premises.
- An information report related to the application was received by Council on 2019-APR-01 and the application was received for public comment during the 2019-MAY-02 Special Council Meeting.
- Craft breweries have a positive economic impact on a community and support tourism.
- Given the subject property's location, the limited occupancy, and business hours of the proposed lounge, Staff do not anticipate the lounge endorsement will negatively impact the surrounding community.

ATTACHMENTS

ATTACHMENT A: Location Plan
ATTACHMENT B: Site Plan
ATTACHMENT C: Floor Plan
ATTACHMENT D: Public Comment Sheets
ATTACHMENT E: RCMP Response Letter
ATTACHMENT F: Aerial Photo

Submitted by:

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