



Item
Meeting2016 July 25

COUNCIL REPORT

TO: CITY MANAGER **DATE:** 2016 July 20

FROM: DIRECTOR PLANNING AND BUILDING **FILE:** 46000 06
Reference: Dageraad

**SUBJECT: DAGERAAD BREWERY LOUNGE ENDORSEMENT
 #114 AND #116 – 3191 THUNDERBIRD CRESCENT
 (SKETCH #1 AND #2 ATTACHED)**

PURPOSE: To provide Council with a recommendation regarding the subject brewery lounge endorsement.

RECOMMENDATIONS:

1. **THAT** Council support the requested brewery lounge endorsement, as described in Section 3.0 of this report.
2. **THAT** a copy of this report be forwarded to the General Manager, Liquor Control and Licensing Branch, P.O. Box 9292, Stn. Provincial Government, Victoria, BC V8W 9J8; and to Ben Coli, Dageraad Brewing, #114 and #116 – 3191 Thunderbird Crescent, Burnaby, BC V5A 3G1.

REPORT**1.0 BACKGROUND INFORMATION**

- 1.1 This Department has received a request from the Liquor Control and Licensing Branch (LCLB) for a Council resolution regarding a lounge endorsement application for Dageraad Brewing. Dageraad Brewing, which has a manufacturer's (brewery) licence from the LCLB, is located at #114 and #116 – 3191 Thunderbird Crescent.
- 1.2 Since 2013, the LCLB has permitted manufacturers with a brewery licence to apply to the LCLB for a brewery lounge endorsement. Until this change, on-site patron consumption opportunities for breweries were limited to the operation of an on-site tasting room. Tasting rooms for breweries are a specific interior area of the manufacturing facility, approved by the LCLB on a floor plan, where free samples of product may be provided. If a brewery charges for samples, they may provide no more than 375 ml (13 oz.) of beer per patron, per day. Manufacturers may also apply to the LCLB for an on-site retail store endorsement. Tasting rooms and on-site retail stores are permitted in Burnaby as an accessory use to a permitted alcohol manufacturing, processing, or packaging use in the M2 General Industrial and M3 Heavy Industrial Districts, provided that the business

To: City Manager
 From: Director Planning and Building
 Re: Dageraad Brewing Lounge Endorsement
 2016 July 20.....Page 2

holds a manufacturer's licence with the accessory tasting room and retail sales area approved by the LCLB.

Unlike a tasting room, a manufacturer's brewery lounge endorsement allows a licensed brewery to sell and serve beer by the glass or bottle within a designated lounge area on the manufacturing site. Liquor service is restricted to brewery products registered to the brewer under the brewery licence, and an interim LCLB policy also permits 20% of liquor served to be produced by other manufacturers. In addition, a reasonable selection of hot and cold snacks and non-alcoholic beverages are required to be available at all times at reasonable prices. Applications for lounge endorsement areas are subject to local government comment. LCLB regulations also state that if the requested endorsement may affect nearby residents, local government must gather the views of the residents.

- 1.3 The proposed lounge endorsement is the first such proposal for a liquor manufacturing facility in Burnaby.¹ An accessory lounge use is distinct from a liquor licence establishment, which is defined in the Zoning Bylaw as "an establishment selling or dispensing liquor for which a liquor primary licence or a liquor primary club licence is required under the *Liquor Control and Licensing Act*." New liquor primary establishments are only permitted in select commercial and institutional zones under rezoning to the applicable "a" or "f" sub-district. A brewery lounge, like a tasting room or on-site retail store, is permitted as an accessory use to a principal alcohol manufacturing use in the M2 and M3 Districts. A lounge is only permitted by the LCLB with a manufacturer's licence and as an endorsement to the manufacturer's licence, and with a primary manufacturing use, in line with the Zoning Bylaw. The LCLB's licensing process requirements are similar to those required for liquor primary applications, and local government comment on lounge endorsement applications is required.
- 1.4 This report provides recommendations on the subject brewery's application to the LCLB as well as a proposal on a potential text amendment with respect to parking requirements for liquor establishments and similar establishments for the sale and consumption of food or beverages on the premises.

2.0 PROPERTY CONTEXT

The subject site, zoned M3 Heavy Industrial District, is located within the Lake City Community Plan area and is designated for Business Centre use. The site is improved with a two storey multi-tenant industrial building that includes wholesale, warehouse, manufacturing, and contractor businesses. Properties surrounding the subject site are also zoned M3 District and are improved with one and two storey industrial buildings to the north, east and south, and petroleum storage tanks and one storey industrial buildings to the west.

¹ There are three licensed liquor manufacturing facilities in Burnaby: Dageraad Brewery, Steamworks Brewery (located at 3845 William Street), and Anderson Distilleries (located at #106 – 3011 Underhill Avenue).

To: City Manager
 From: Director Planning and Building
 Re: Dageraad Brewing Lounge Endorsement
 2016 July 20.....Page 3

3.0 PROPOSED LOUNGE ENDORSEMENT

- 3.1 Dageraad Brewing currently occupies a total floor area of approximately 203.97 m² (2,195.53 sq. ft.) and has an accessory retail space/tasting room of approximately 14.6 m² (157 sq. ft.), approved under PPA #13-219. The current hours of operation for the accessory retail space/tasting room are 2:00 p.m. to 8:00 p.m. Monday through Wednesday, 12:00 noon to 8:00 p.m. Thursday, 12:00 noon to 9:00 p.m. Fridays, 12:00 noon to 8:00 p.m. Saturday, and 12:00 noon to 6:00 p.m. Sunday.

Dageraad Brewing is applying to the LCLB for a lounge endorsement to its manufacturing licence as part of the brewery's expansion into a neighbouring unit, with the current retail space/tasting room proposed to be used for brewery manufacturing/lab purposes. The expanded brewery is proposed to occupy a total area of approximately 387.39 m² (4,169.83 sq. ft.), and the proposed accessory lounge, with space on both the main floor and mezzanine area, would have a total area of approximately 79.19 m² (852.39 sq. ft.) and a maximum of 50 seats. Bottles and growlers of beer will be available for sale from the manufacturer's on-site store, which is proposed to operate out of a small retail area within the main floor of the brewery lounge. The proposed hours of operation for the lounge and associated on-site store are 10:00 a.m. to 11:00 p.m., seven days a week.

- 3.2 In providing its resolution on the proposed amendment to the subject brewery, local government must consider and comment on each of the criteria listed below:

(a) *The location of the establishment*

The subject establishment is located on the north side of a multi-tenant industrial building within the Council-adopted Lake City Community Plan area. As mentioned above, the subject site is surrounded by other industrial uses. The nearest residential use is located more than 280 m (919 ft.) to the south across the SkyTrain line and Lougheed Highway.

(b) *The proximity of the establishment to other social or recreational facilities and public buildings*

The subject site is not proximate to social or recreational facilities and public buildings. It is also not proximate to any schools (Burnaby Mountain Secondary School is more than a 1 km (3.28 mile) walk to the east, across Gaglardi Way), care facilities, or other potentially conflicting uses such as gaming facilities, cyber centres, amusement arcades, and billiard halls.

(c) *The person capacity and hours of liquor service of the establishment*

The proposed capacity of the lounge is 50 people. Person capacity for food and beverage establishments is in part determined by parking requirements. The Zoning Bylaw parking

To: City Manager
 From: Director Planning and Building
 Re: Dageraad Brewing Lounge Endorsement
 2016 July 20.....Page 4

requirement for liquor licence establishments and similar establishments for the sale and consumption of food or beverages on the premises, regardless of the size of the establishment, is one space for each five seats. This parking requirement is the same as that for restaurants or eating establishments having more than 50 seats and is generally higher than the one space for each 46 m² (495.16 sq. ft.) of gross floor area that is required for restaurants and eating establishments with 50 seats or less that are not located in a shopping centre.²

Based on available parking on the subject site and the requirement of one space for every five seats, a maximum of 40 seats could be permitted for the proposed lounge. However, it is noted that 50 seats could be permitted if the brewery were to obtain the use of two surplus parking spaces located on a separate site within 122 m (400.26 ft.) of the proposed lounge, as per Section 800.5 (2) of the Zoning Bylaw and subject to Preliminary Plan Approvals (PPAs) on both the subject site and the separate "donor" site.

Staff believe there is merit for a potential Zoning Bylaw text amendment that would align the parking requirements of liquor licence, and similar establishments with 50 seats or less, with that of restaurants and eating establishments with 50 seats or less (i.e. one space for each 46 m² [495.16 sq. ft.] of gross floor area in place of one space per five seats). On this basis, staff would prepare a separate report to the Planning and Development Committee to review this bylaw change. Should such a text amendment bylaw be pursued and finally adopted, 50 seats could be permitted for the proposed lounge, without the need to access off-site parking spaces.

With respect to the proposed hours of the establishment, while the proposed 11:00 p.m. closing time is supported, it is recommended that the opening time of liquor service be 11:00 a.m. rather than 10:00 a.m., in order to be consistent with City policy for opening hours for liquor primary establishments.

(d) The number and market focus or clientele of liquor primary licence establishments within a reasonable distance of the proposed location

There are no liquor primary establishments in the area, with the nearest establishment located approximately 1.5 km (0.93 miles) to the east in the Lougheed Town Centre.

(e) The impact of noise on the community in the immediate vicinity of the establishment

The subject establishment is located on the north side of a multi-tenant industrial building in an industrial area. The nearest residential area is located approximately 280 m (918.64 ft.) to the south and is separated from the subject site by a large parking lot, a large

² Restaurants and eating establishments with 50 seats or less that are located in a shopping centre are required to have the same number of parking spaces as that required for a retail store occupying equal floor space in a shopping centre.

To: City Manager
 From: Director Planning and Building
 Re: Dageraad Brewing Lounge Endorsement
 2016 July 20.....Page 5

industrial building, Lougheed Highway, the SkyTrain guideway, and a landscape buffer. Noise is therefore not expected to be an issue; however, the operation is subject to the requirements of the Burnaby Noise and Sound Abatement Bylaw 1979, Amendment Bylaw No. 1, 1995.

(f) The impact on the community if the application is approved

The proposed lounge is expected to result in minimal community impacts, given the lounge's accessory nature and location within an industrial complex removed from any potentially conflicting uses. In addition, as the subject site has sufficient on-site parking, parking conflicts are not anticipated. It is also noted that the subject site is located within 300 m of the Production Way SkyTrain station, which would provide patrons with an alternative choice to driving.

- 3.3 In response to the application for a lounge endorsement, input has also been requested from pertinent City Departments and the Burnaby RCMP. No concerns were expressed.
- 3.4 In summary, given the nature of the proposed lounge as an accessory use within a licensed manufacturing facility that is located in the interior of an existing industrial complex; its sufficient distance from existing residential neighbourhoods, liquor licence establishments, gaming facilities, cyber centres, amusement arcades, billiard halls, schools, and care facilities; and its proximity to transit, the proposed lounge endorsement is considered supportable. It is noted that Preliminary Plan Approval (PPA) for a change of use would be required.
- 3.5 Given the location of the establishment is in an industrial area removed from residential areas, it is not expected that nearby residents would be affected by the proposed lounge endorsement. Therefore, the gathering of input from residents will not be pursued. It is acknowledged that the LCLB, as part of their liquor licensing process, may gather public input.

4.0 CONCLUSION

Based on the information presented above, staff recommend that Council support the proposed lounge endorsement for the existing brewery, as discussed in Section 3.0 of this report. A separate staff report will be prepared regarding a review of parking requirements, as discussed in Section 3.2 (c) of this report. Staff also recommend that a copy of this report be forwarded to the General Manager, Liquor Control and Licensing Branch, P.O. Box 9292, Stn. Provincial Government, Victoria, BC V8W 9J8; and to Ben Coli, Dageraad Brewing, #114 and #116 – 3191 Thunderbird Crescent, Burnaby, BC V5A 3G1.

To: City Manager
From: Director Planning and Building
Re: Dageraad Brewing Lounge Endorsement
2016 July 20.....Page 6

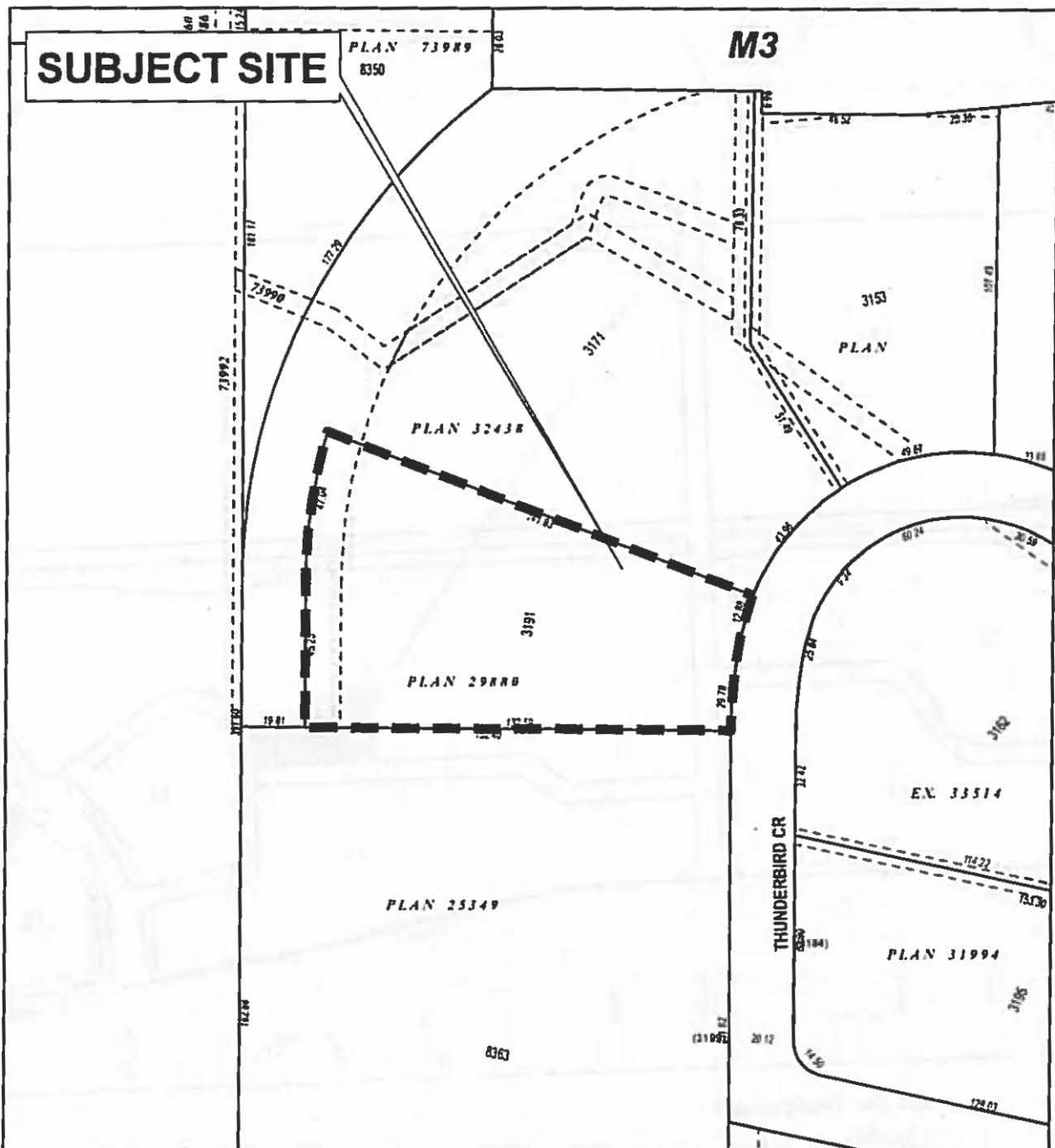
- It is noted that any future proposed lounge endorsements would also be subject to local government comment and would be evaluated on a case-by-case basis.


Lou Pelletier, Director
PLANNING AND BUILDING

LS:spf
Attachments

- cc: Director Engineering
Director Parks, Recreation and Cultural Services
Director Finance
Officer-in-Charge, RCMP, Burnaby Detachment
Chief Licence Inspector
City Solicitor
City Clerk

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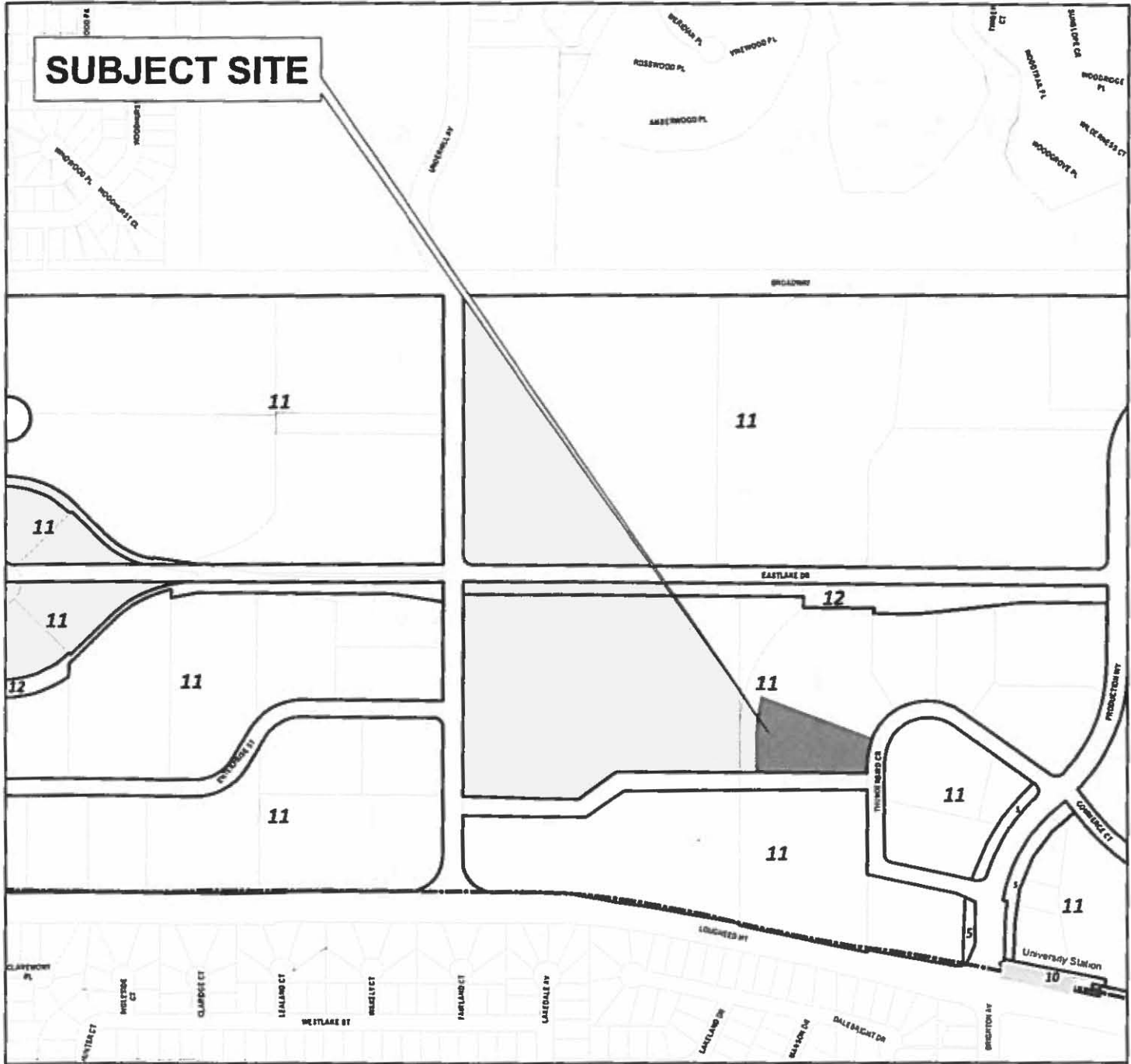


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**PROPOSED BREWERY LOUNGE ENDORSEMENT
DAGERAAD BREWERY
#114 AND #116 - 3191 THUNDERBIRD CRESCENT**

 Subject Site

Sketch #1



Land Use Designations

- 5 Commercial
- 10 Institutional
- 11 Business Centre District
- 12 Park and Public Use



City of Burnaby

PLANNING & BUILDING DEPARTMENT

Lake City Business Centre