Date: February 8, 2013

To: All LCLB Staff
All Brewers and Distillers (and applicants)
All Local Government
All Police
All Industry Associations

Re: Brewery and Distillery Endorsement Areas

The purpose of this policy directive is to announce recent amendments to the *Liquor Control and Licensing Act* regulation regarding endorsements on brewery and distillery licences. These amendments take effect March 1, 2013. These changes are designed to support the growing craft brewing and distilling industries by introducing another means for licensees to showcase their products.

Summary of Changes

Until this change, on-site patron consumption opportunities for breweries and distilleries were limited to the operation of a tasting room at the manufacturing site where product samples could be offered to the public at no charge (breweries can charge for samples but are limited to 375ml per patron per day while distilleries could not sell at all). The Liquor Control and Licensing Regulations (LCLR) are amended to permit brewers and distillers to apply for endorsement areas at their manufacturing site where patrons may consume liquor manufactured under the licence. These changes align regulations for brewers and distillers with wineries who have had these endorsements for several years. Endorsements are:

- special event area;
- lounge;
- tour area;
- picnic area.

Distilleries may now charge for samples in a sampling room but are limited to 45ml per person per day.

Endorsement Areas

<u>Lounge endorsement:</u>
Breweries and distilleries may apply for a lounge area. A lounge is an indoor and/or patio area on the licensed manufacturing site where patrons may purchase and consume the manufacturer's liquor. Applications are subject to local government/First Nation comment and public input, including consideration of hours of service and capacity.

Special Event Area (SEA):
Breweries and distilleries may apply for a special event endorsement to designate areas of the manufacturing site where special events can occur. A SEA is an indoor and/or outdoor area on the site where patrons may purchase and consume liquor during special events such as music events, special meals/dinners or wedding receptions. SEA's are intended to be event driven only - not an extension or alternative to a lounge. Applications are subject to local government/First Nation comment and public input.

In a SEA or lounge:

- minors are permitted if accompanied by a parent or guardian;
- liquor served and sold must be manufactured by the licensee under the manufacturer's licence;
- food and non-alcoholic beverages must be available at reasonable prices to customers.

Picnicking and Tour Areas
Breweries and distilleries may apply for a picnicking or tour endorsement. There is no local government or First Nation comment required due to the limited impact on the community.

The following terms and conditions apply to picnicking and tour areas:

- consumption of liquor is restricted to liquor served or sold from the on-site store, sampling area or other endorsement (if one is present);
- minors are permitted unless otherwise restricted by the General Manager.

Picnicking Area

A picnicking area must be located outdoors and be open to the elements, have a clearly defined boundary and clear line of sight for supervision purposes, and be no larger than 1000 square meters. Picnicking areas are intended to provide a place where patrons may consume samples or liquor purchased from the manufacturer-licensees may not serve or sell liquor within a picnicking area. Hours for the picnic area are 9:00 a.m. to dusk, unless otherwise authorized or limited.

Tour Area

A tour area may be located indoors or outdoors. A tour area endorsement permits patrons to consume liquor while on a tour of the manufacturing site.

Amendments to the Regulation

1. Definitions**:** New or amended definitions of the types of endorsements are added.

2. Application and local government/First Nation involvement: Section 18 which outlines requirements for application and operation of a lounge or SEA at a manufacturing site, is amended to add breweries and distilleries.

   An application for a lounge or SEA requires local government /First Nation input as part of the licensing process. The application process includes submission of site

plans, floor plans, and occupant load calculation of the proposed area(s). The local government/First Nation is asked to gather public input and to provide a resolution commenting on:

- the location of the lounge or SEA;
- the proximity of the lounge or SEA to other social or recreational facilities and public buildings;
- in the case of a lounge, the person capacity and hours of liquor service;
- the impact of noise on the community in the immediate vicinity of the proposed lounge or SEA;
- the impact on the community if the application is approved.

Where a licensee has two different manufacturer licences (e.g. a winery and distillery) on the same site and currently has a lounge or SEA endorsement on one of the licences, the local government /First Nation comment process may be abbreviated if the proposed lounge or SEA is on the identical floor area with the same hours as a current lounge or SEA. The abbreviated process requires that the local government /First Nation comment on the impact on the community if the application is approved on the form provided by the Branch for that purpose.

3. Terms and conditions: Section 18.1, which outlines terms and conditions for application and operation of a tour or picnic area at a winery, is amended to add breweries and distilleries.

Fees

Annual and application fees for endorsements for brewers and distillers are the same as those in place for wineries. The lounge application and annual fee is $330. The annual SEA fee is $110. The SEA application fee is $330 unless the applicant is applying for both lounge and SEA endorsements at the same time in which case it is $110. The picnic and tour areas are free endorsements on the licence (but require an application).

The “Brewer, Distiller and Agent Licences: Terms and Conditions” guide found at http://www.pssg.gov.bc.ca/lclb/docs-forms/guide-breweries.pdf contains further information on the terms and conditions for operating a manufacturer’s endorsement area.

Effective Date

Effective March 1, 2013, breweries and distilleries may apply for a lounge, SEA, picnic or tour area. Application forms will be posted on March 1, 2013 at http://www.pssg.gov.bc.ca/lclb/forms_fees/index.htm .

Further Information

Further information regarding liquor control and licensing in British Columbia is available on the Liquor Control and Licensing Branch website at www.pssg.gov.bc.ca/lclb. If you have any questions regarding these changes, please contact the Liquor Control and Licensing Branch toll free in Canada at 1-866-209-2111 or 250-952-5787 if calling from the Victoria area.

Original signed by:

Karen Ayers
General Manager and Assistant Deputy Minister