



Committee of the Whole Report

For the Meeting of April 17, 2025

To: Committee of the Whole **Date:** April 3, 2025

From: Karen Hoese, Director, Planning and Development Department

Subject: 1302 Gladstone Avenue (Fernwood Inn) – Application to Change a Food Primary Licence to a Liquor Primary Licence

RECOMMENDATION

That Council direct staff to provide the following response to the Liquor and Cannabis Regulation Branch:

1. That Council supports the application of Fernwood Inn, located at 1302 Gladstone Avenue, for a new liquor primary licence conditional on the following:
 - a. The establishment having a total occupant load of 186 people.
 - b. Hours of licenced service from 9:00 a.m. to 12:00 a.m. daily.
2. The following comments are provided regarding the prescribed considerations:
 - a. If the application is approved, it is anticipated to have a positive economic impact on the community as the approval supports the viability of the business as a local employer.
 - b. The views of residents were solicited through a mailout to neighbouring property owners and occupiers within 100 metres of the licensed location and a notice posted at the property. In response to the notification that went to 280 owners and occupants, the City received four letters of correspondence. Of these letters, two expressed concern and two expressed support. The Fernwood Community Association confirmed that they have no concerns with the application.
3. Council recommends to the Province that the liquor primary licence be approved as recommended.

EXECUTIVE SUMMARY

The purpose of this report is to seek a Council resolution, in accordance with the requirements of the *Liquor Control and Licensing Act*, regarding an application by Fernwood Inn at 1302 Gladstone Avenue. The application is to change from a food primary licence to a liquor primary licence. There is no change proposed to the 186-person occupant load, and the establishment would maintain the current licenced hours which are 9:00 a.m. to 12:00 a.m. daily.

The application was evaluated according to City policy, with staff commentary and feedback received through the public notification process. It has also been considered in the context of the local vicinity and the city as a whole and is consistent with the City's *Liquor Licensing Policy*. The establishment has a history of responsible operation. Based on the above, this report recommends support for the application.

PURPOSE

The purpose of this report is to seek a Council resolution, in accordance with the requirements of the *Liquor Control and Licensing Act*, regarding an application by Fernwood Inn at 1302 Gladstone Avenue. The Liquor and Cannabis Regulations Branch (LCRB) is requesting a resolution from the City of Victoria regarding:

1. impact of noise on nearby residents
2. impact on the community if the application is approved.

PROPOSAL

Fernwood Inn is seeking approval to change from a food primary licence to a liquor primary licence. There is no change proposed to the 186-person occupant load, and the establishment would maintain the current licenced hours which are 9:00 a.m. to 12:00 a.m. daily.

A letter of intent has been provided in Appendix A and includes rationale for the application. A map of the subject property and the immediate area is provided in Appendix B and illustrates the 100m public notification area.

ISSUES & ANALYSIS

The following sections provide Council with information, analysis and recommendations for consideration of the Council resolution to the LCRB.

LCRB Jurisdiction

The LCRB issues liquor licences under the authority of the *Liquor Control and Licensing Act* and regulations. The LCRB determines the category of licence appropriate or acceptable for the business based on submitted details. A Liquor Primary licence is for establishments whose primary purpose is the service of liquor, hospitality, or entertainment (such as bars, pubs, spas, and art galleries). Fernwood Inn is seeking to transition to a liquor primary licence to align with its business model, which includes hosting live music performances, quiz nights and similar events.

City Liquor Licensing Policy

The City's *Liquor Licensing Policy* (2017) is included as Appendix E and provides direction on the procedures for the liquor licence application process. The proposed hours of licenced service and capacity are within the parameters of the City's policy.

Community Consultation

In accordance with the City's *Liquor Licensing Fee Bylaw* and *Liquor Licensing Policy*, all property owners and occupiers within 100 metres of the applicant's location (a total of 280 notices) were solicited by a mailed notice to provide input regarding this application. The notice was also posted at the establishment for public feedback and sent to the Fernwood Community Association. The public notification reflected the applicant's intent to obtain a liquor primary licence, with no change to the existing occupant load or hours of service. The comment period was open for 30 days.

The City received four letters in response to the public notification. Of these letters, two expressed concern with the application and two expressed support. The public letters of response are included in Appendix F. A letter from the Fernwood Community Association confirmed that they have no concerns with the application.

Impact Assessment

Context

Fernwood Inn is in the C-1 Zone, Limited Commercial District, which permits a range of uses including restaurants licenced through the *Liquor Control and Licencing Act*. The zone does not restrict the hours of operation or occupant loads of these establishments and permits residential uses within the same property.

The business is located in a three-storey building at 1302 Gladstone Avenue, which includes the Fernwood Inn and ten residential suites. Adjacent buildings include a mix of uses including restaurant, retail, office, and residential uses.

Operations

The establishment currently operates under a food primary licence with a total occupant load of 186 people and service hours from 9 a.m. to midnight daily. Changing to a liquor primary licence allows greater operational flexibility than a food primary that requires service of food as the primary focus of the business. A liquor primary licence aligns with the business operations as a venue for live music, DJs, quiz nights, and other events. The applicant has provided a letter of intent, attached as Appendix A, which outlines their operations.

Noise Considerations

Based on the City's Noise Bylaw, Fernwood Inn is within the Intermediate Noise District and is subject to the noise limits prescribed for this district. The Noise District Map is included in Appendix D, and Appendix C illustrates the composition of licenced establishments in the area, which includes the block of the establishment and adjacent blocks.

The establishment has a history of responsible operation and there is no change proposed to the hours or occupant load. The hours of service are consistent with other licensed establishments in the area. Noise impacts are not anticipated with the change from a food primary licence to a liquor primary licence for this establishment.

Applicant Response

As a part of the liquor licence process, it is standard practice to provide the applicant with an opportunity to review the report recommendations, so they may provide a response to the report prior to the report being forwarded to Council. The applicant has confirmed they are satisfied with the recommendation.

OPTIONS & IMPACTS

Option 1: That Council recommend support of the application to the LCRB (Recommended)

Council may choose to support the application of Fernwood Inn, located at 1302 Gladstone Avenue, for a liquor primary licence conditional on the following:

- a) The establishment having a total occupant load of 186 people.
- b) Hours of licenced service from 9:00 a.m. to 12:00 a.m. daily.

Option 2: That Council recommend decline of the application to the LCRB

Alternatively, Council may decide to not support this application and recommend to the Province that the Fernwood remain licenced as a food primary establishment.

Impacts

Accessibility Impact Statement

As the establishment is an existing building, current accessibility requirements may not be met. There is no retroactive application of accessibility requirements under the BC Building Code and the establishment is therefore conforming.

2023 – 2026 Strategic Plan

The recommendation to approve the application is likely to support small business and the visitor economy, as well as supporting arts programming including live music, consistent with the Strategic Objectives for *Economic Health and Community Vitality* and *Arts, Culture, Music, Sport and Entertainment*.

Impacts to Financial Plan

None.

Official Community Plan Consistency Statement

The use as a full service restaurant is consistent with the Official Community Plan objectives for this neighbourhood.

CONCLUSIONS

Fernwood Inn is seeking to change from a food primary licence to a liquor primary licence to allow greater operational flexibility as a venue for live music, DJs, quiz nights, and other events. There is no change proposed to the 186-person occupant load, and the establishment would maintain the current licenced hours which are 9:00 a.m. to 12:00 a.m. daily. The site is appropriately zoned for the use, is consistent with current City *Liquor Licensing Policy*. Based on this, the application is considered supportable.

Respectfully submitted,

Katie Lauriston
Development Process Coordinator

Karen Hoesel, Director
Planning and Development Department

Report accepted and recommended by the City Manager.

List of Attachments

- Appendix A: Rationale Letter and Floorplan
- Appendix B: Site Map
- Appendix C: Vicinity Information and Map
- Appendix D: Noise District Information and Map
- Appendix E: Council Liquor Licencing Policy
- Appendix F: Public Responses
- Appendix G: CALUC Response
- Appendix H: Types of Liquor Licences Issued in the Province of British Columbia.