

Staff Report

Original signed by: Acting City Manager Norburn

Report Date: May 17, 2018

Meeting Date: May 22, 2018 – Joint Planning Committee

To: City Manager

From: Director of Community Services

Subject: Liquor Permits and Licensing at the West Fraser Centre

PURPOSE

To provide information to the Joint Planning Committee regarding liquor permits and licensing options for the West Fraser Centre.

SUMMARY

- The issue of liquor licensing at the West Fraser Centre was discussed by the Committee at its regular meeting on October 10, 2017.
- The Committee requested additional information at that time regarding the pros and cons of obtaining a Liquor Primary License vs. continuing to allow groups to obtain Special Event Permits for their events.
- There are advantages and disadvantages to obtaining a Liquor Primary License.
- Staff are of the opinion however that the benefits of obtaining a Liquor Primary License are not compelling enough to apply for a license at this time.
- Applying for a Liquor Primary License is an option that can always be pursued at a later date.

JPC POLICY

The following resolution was passed at the October 10, 2017 NCJPC meeting:

MOVED Mayor Simpson, Seconded Director Armstrong and resolved: THAT the North Cariboo Joint Planning Committee direct staff to further investigate 'special event permit' versus a 'primary liquor license' and bring a report back to the Committee, to include:

- Specific rules of each license
- If a special event permit can be utilized with an existing primary license
- Potential benefits and/or detriments of each license
- Revenue potential

FINANCIAL IMPLICATIONS

Revenue potential is difficult to predict and is dependant on the number of events held, the amount of alcohol sold, and any revenue sharing arrangements that the City/CRD makes with user groups and/or a Concession Operator.



A reasonable estimate is that we might generate \$10,000 - \$15,000 in profit, not including staff costs, security, revenue sharing, inventory, or permit fees. It is likely that much of this profit will be absorbed by other costs and would likely be less than \$5,000/yr.

BACKGROUND

- The facility is not currently licensed however alcohol can be served in the building if a Special Event Permit is obtained, normally by an individual or organization hosting an event in the facility. This is the status quo.
- If a Liquor Primary License for Stadiums was obtained, the facility would be licensed to sell alcohol at events in the building, meaning that groups would no longer be required or able to obtain Special Event Permits for their events. This would be a change from current practice.

Special Event Permits:

- Advantages to the City/CRD:
 - The responsibility for obtaining and complying with the terms of the Permit is placed on the individual or organization obtaining the Permit and not the City/CRD, significantly reducing the City/CRD's liability exposure.
 - As owners of the facility, the City/CRD can still determine where alcohol consumption is permitted or not permitted for certain types of events.
 - Groups who rely on Special Event Permits to generate revenue will not be impacted and will be able to continue to run their events as they have in the past.
- Disadvantages to the City/CRD:
 - Groups who find it a burden to provide a bar for their events and who would prefer to have the City/CRD take over this role will need to continue to take on this responsibility.
 - The City/CRD will not have the opportunity to generate new revenue from the sale of alcohol.

Liquor Primary License for Stadiums:

- Advantages to the City/CRD:
 - With a Liquor Primary License, drink fees can be increased to allow greater potential for profit although permit fees may offset much of the revenue generated, and whatever profit is realized may be shared with a Concession Operator or negatively impacted user groups.
 - The License would apply to the majority of events held in the Centre, meaning that separate Permits would not be required for each event.
- Disadvantages to the City/CRD:
 - Not all events will be covered under a Liquor Primary License, such as weddings, and as a result some events may not be able to have alcohol because they are not covered under the License but because there is a License, not be eligible to easily obtain a Permit.



- Some Non-Profit groups would be impacted by no longer being able to generate revenue from alcohol sales. If groups are compensated by the City/CRD with a portion of liquor sale revenue, this may offset much of the benefit to the City/CRD of generating revenue.
- The process to obtain a License is time consuming and may require considerable staff resources, likely taking 7-12 months.
- Licensing will shift increased liability onto the City/CRD. The City/CRD would be responsible for security for events and would have increased exposure to claims for damages related to alcohol consumption.
- Application and first year licensing fees are expected to be in the range of \$4,400.
- Additional revenue generated by the license may be offset by revenue sharing with user groups, permit fees, and security costs.
- The City/CRD (and/or the Concession Operator) will need to order, stock, and serve alcohol which may be challenging given the space constraints of the concession.

RECOMMENDATION

That the North Cariboo Joint Planning Committee receive this report for information and that staff be directed to take no further action at this time to pursue the option of obtaining a Liquor Primary License for the West Fraser Centre.