



# Staff Report to Council

**DATE:** Tuesday, February 18, 2025

**DEPARTMENT:** Planning

**SUBJECT:** Application for a New Lounge Area Endorsement License for Ryes and Shine Craft Distillery at 103-2323 Millstream Road – License No. 114899

## EXECUTIVE SUMMARY:

Ryes and Shine Craft Distillery, owned by operator Kelly Darwin, recently leased the property at 103-2323 Millstream Road and is applying through the Liquor and Cannabis Regulation Branch (LCRB) for a Lounge Area Endorsement, which allows manufacturers to sell liquor for onsite consumption, sell samples without a daily maximum volume per person, and offer entertainment and amplified sound.

Currently, the participation of the local governments in the review of liquor license applications allows municipalities to either opt-out of the review process entirely and leave it to the licensee to post an advertisement in the newspapers and an onsite notification board to notify surrounding neighbors for comment to the LCRB, or opt-in, which includes the process of notifying the public through mail outs or advertisements. If Council wishes to comment on the application, whether positive or negative, the City will be required to opt-in and undertake the notification process.

## BACKGROUND:

Since 1987-88, the site has operated as a pub, with a lounge, patios, and a brewery being added over the years. The brewery opened in 2016 and was operated by a separate company known as the Axe and Barrel Brewing Company. This change of business also required a new liquor license application and review by Local Government. The Axe and Barrel closed in 2020. In 2021 a new business opened which operated as The Millstream Beverage Company Ltd. That business also closed, in July of 2024.

**Table 1: Site Data**

<i>Applicant</i>	Kelly Darwin of Ryes and Shine Craft Distillery
<i>Owner</i>	1145316 BC Ltd.
<i>Civic Address</i>	103-2323 Millstream Road
<i>Legal Description</i>	Lot A (DD S81695), Section 1, Range 3 West, Highland District, Plan 38502, PID No. 008-078-939
<i>Size of Property</i>	3,927m <sup>2</sup>
<i>DP Areas</i>	None

<i>Current Zoning</i>	Neighbourhood Mixed Use (C6A)
<i>Current OCP Designation</i>	Neighbourhood Centre

**COMMENTARY:**

Kelly Darwin, operator of the Ryes and Shine Craft Distillery, has applied to operate a distillery at 103-2323 Millstream Road. The operator has opted to apply for a Lounge Area Endorsement license. Person capacity for the Millstream Beverage Company Ltd. was 35 inside and 45 on the patio for a total of 80. The new operation is requesting an increase in person capacity to 100, with 36 inside and 64 on the patio. This occupancy load has been reviewed by the City’s Building Department.

Capacity:

<b>Area</b>	<b>Proposed Capacity</b>
Lounge and Bar Area	36
Outside Patio	64
Total Capacity	100

The hours of operation are proposed to be reduced slightly from the hours utilized by the former business at this location. As shown below, Ryes and Shine intends to open one hour later each day and close at 11pm, including on Fridays and Saturdays. The operator has noted that the hours may be reduced in the off-season when the patio is closed.

Previous Hours of Operation:

	<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>	<b>Saturday</b>	<b>Sunday</b>
Open	11 am	11 am	11 am	11 am	11 am	11 am	11 am
Close	11 pm	11 pm	11 pm	11 pm	<b>12:30 am</b>	<b>12:30 am</b>	11 pm

Proposed Hours of Operation:

	<b>Monday</b>	<b>Tuesday</b>	<b>Wednesday</b>	<b>Thursday</b>	<b>Friday</b>	<b>Saturday</b>	<b>Sunday</b>
Open	12 pm	12 pm	12 pm	12 pm	12 pm	12 pm	12 pm
Close	11 pm	11 pm	11 pm	11 pm	11 pm	11 pm	11 pm

Bylaw Enforcement has stated that this site has historically followed regulation well enough to keep from attracting complaints or attention from the Liquor Inspectors. From a Bylaw Enforcement perspective there is little to indicate that the City should anticipate any problems, especially given that the hours are being reduced.

Should Council decide to opt into the notification process, notifications would be sent by mail to neighbours within 30 meters of the subject property, similar to that of a Development Variance Permit.

If Council decides to opt out of notification and the gathering of public input, the LCRB will direct the licensee to undertake their own notification process, including advertisements in the local newspaper and posting a notification advertisement onsite to complete their own review process.

Given that this application is to continue a similar use, Council may wish to opt out of the notification process for this application. Traditionally, the City has opted out of this process unless an application is perceived to be potentially impactful to the neighbourhood.

### **Strategic Plan Alignment**

The proposed application aligns with Section 3: Economic Development and Section 5: Good Governance of Council's Strategic Plan.

### **Financial Implications**

In this instance, the policing costs should remain the same since this is a continued use that has operated on this site for many years.

If Council decides to opt-in to notifying, the cost of providing mailouts to neighbours within 30 meters of the site would be approximately \$45. As this application is referred to us from the LCRB, there is no application fee, and the City is not able to recover the costs.

If Council decides to opt-out of comment, there would be no cost to the City for this process.

### **Legal Implications**

The authority to issue or amend liquor licenses and endorsements rests solely with the Province. The Liquor and Cannabis Regulation Branch does refer to Council for comment, which may give the perception that the City controls the process. Notwithstanding this perception, the City should not be found liable for the way in which the Province exercises its authority in this realm.

### **OPTIONS:**

#### **Option 1**

THAT Council inform the Liquor and Cannabis Regulation Branch that the City of Langford will opt out of conducting notification for a Lounge Area Endorsement for Ryes and Shine Craft Distillery at 103-2323 Millstream Road.

#### **Or Option 2**

THAT Council inform the Liquor and Cannabis Regulation Branch that the City of Langford will complete our own notification and provide the findings to the LCRB regarding the application for a Lounge Area Endorsement for Ryes and Shine Craft Distillery at 103 -2323 Millstream Road;

AND

Direct staff to begin the notification process for the surrounding area within 30 meters of the subject property.

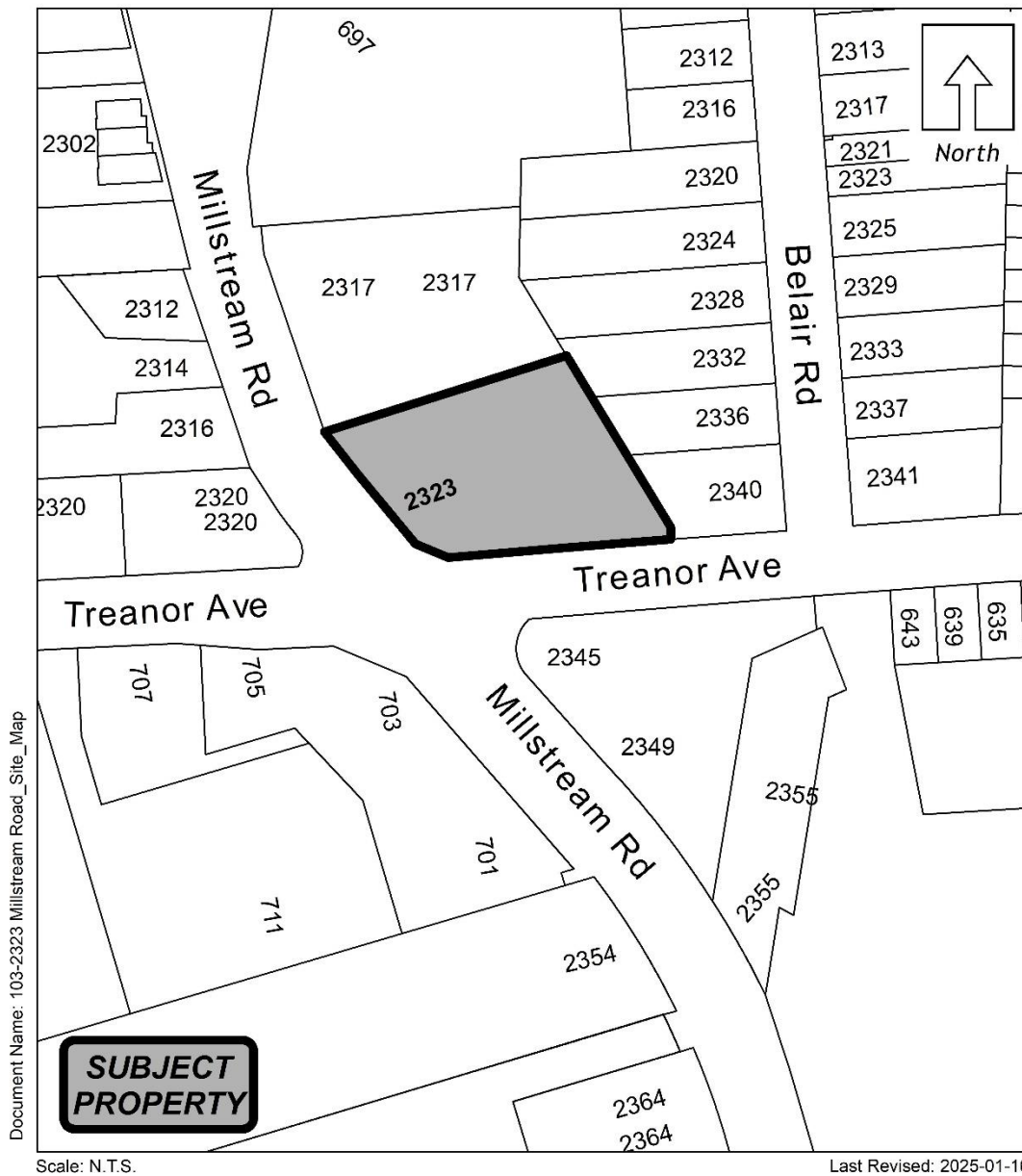
**SUBMITTED BY: Julia Buckingham, Planner II**

- Concurrence:** Matthew Baldwin, RPP, MCIP, Director of Development Services
- Concurrence:** Leah Stohmann, RPP, MCIP, Director of Community Planning and Climate Change
- Concurrence:** Melisa Miles, Manager of Legislative Services
- Concurrence:** Donna Petrie, Senior Manager of Communications & Economic Development
- Concurrence:** Yari Nielsen, Director of Parks, Recreation and Facilities
- Concurrence:** Katelyn Balzer, P.Eng., Director of Engineering and Public Works
- Concurrence:** Michael Dillabaugh, CPA, CA, Director of Finance
- Concurrence:** Marie Watmough, Director of Legislative & Protective Services
- Concurrence:** Braden Hutchins, Deputy Chief Administrative Officer
- Concurrence:** Darren Kiedyk, Chief Administrative Officer

Attachments: none

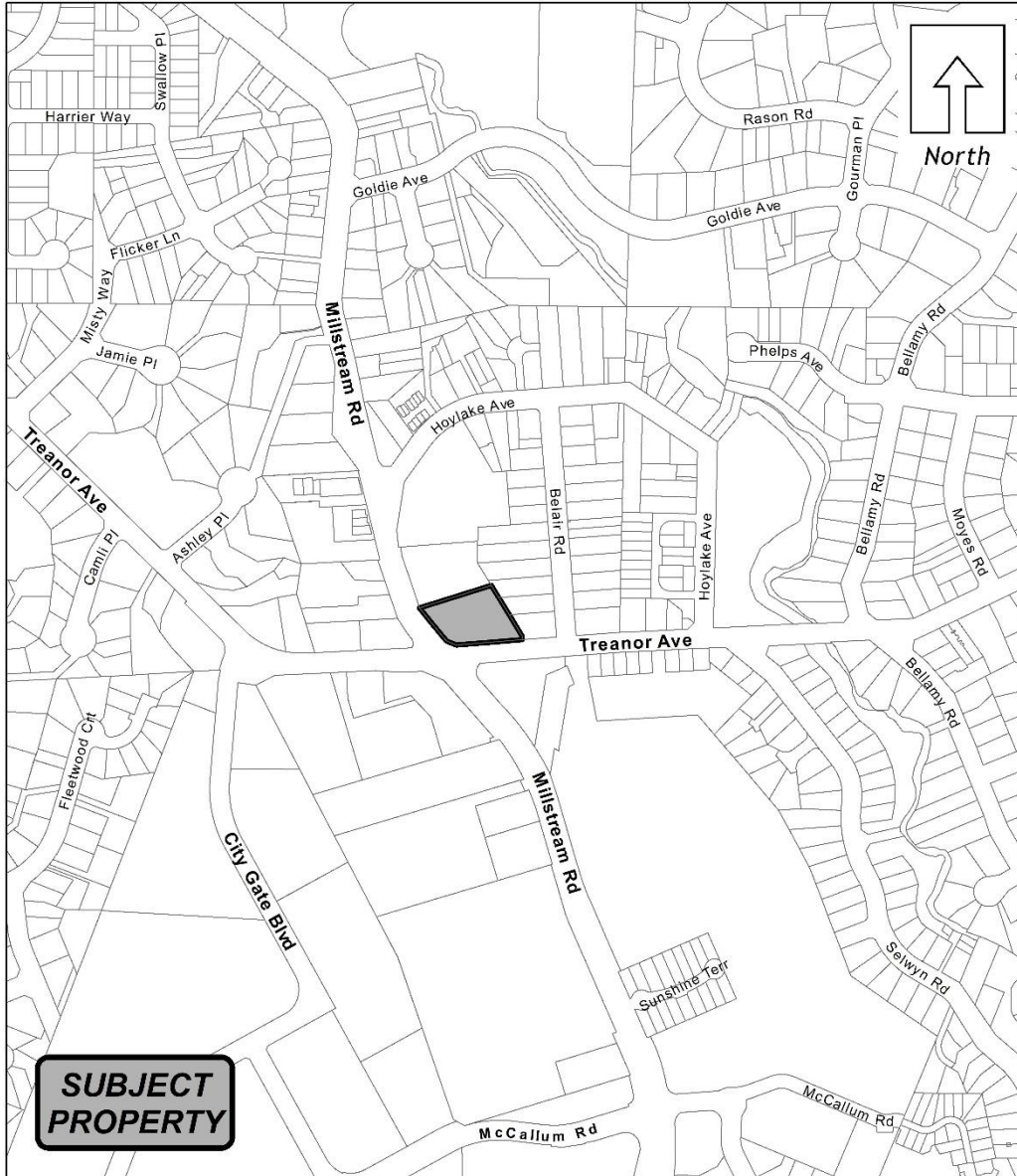
### Appendix A - Site Map

#### 103-2323 Millstream Road



## Appendix B - Location Map

### 103-2323 Millstream Road



Document Name: 103-2323 Millstream Road\_Location\_Map

Scale: N.T.S.

Last Revised: 2025-01-16