

Class E (Brew Pub)

Following is information about obtaining a Class E licence for a Brew Pub.

A Class E licence may be issued for a brew pub to a Class A licensee or applicant for a Class A licence that is in the same building as the brew pub brewing facility.

CRITERIA FOR CLASS E (BREW PUB) LICENCES

Several factors are considered before a Class E (Brew Pub) licence is issued, including:

- ◆ qualifications of the applicant
- ◆ valid control of the premises
- ◆ location of the facility
- ◆ general layout and equipment
- ◆ amount of proposed production
- ◆ compliance with other regulatory agencies

STEPS

There are normally five steps involved in the licensing process. The time required to process an application varies among applications. In order to be considered for a Class E (Brew Pub) licence, a proposal (or existing licensed) Class A premises must be received.

1. Preliminary Assessment

You should contact the Regulatory Division as early as possible to start your application.

Information that will be required includes:

- ◆ location
- ◆ annual manufacturing capacity
- ◆ floor plan with equipment details
- ◆ details on the applicants
- ◆ a listing of the proposed products
- ◆ application fee

2. Eligibility

Details about the applicant will be required to determine eligibility for licensing. Applicants must have the right to occupy and control the premises.

3. Board Approval

We will next prepare a submission outlining your proposal and present it to the Board. You will be advised in writing of the Board's decision, including any requirement to publicly advertise your intent to apply for the licence. An approval does not commit the Board to issuing you a licence at a later date.

If your application for a licence is refused by the Board, you may apply to the Board within 30 days for a hearing. After considering your presentation, the Board may confirm, vary or reverse an earlier decision.

4. Submission of Application and Documentation

If approved, you will be sent an application form with the letter of approval. Various other documents may also be required with the application, including:

- ◆ in the case of a company, a copy of the Certificate of Incorporation and completion of a Particulars of Incorporation form
- ◆ a copy of the lease or title
- ◆ Partnership Agreements, Franchise Agreements, etc., where applicable
- ◆ any financial reporting requirements stipulated by the AGLC
- ◆ approvals of any other regulatory agencies, including federal and municipal approval
- ◆ annual licence fee

5. Final Inspection and Issue of Licence

Once the premises have been completed according to the approval and the required documentation has been submitted, you should contact us for a final inspection. One of our inspectors ensures the premises are completed as approved, and discusses the terms and conditions of the licence with you.

On final approval, the inspector issues an interim licence authority. The licence certificate will be sent to you soon after.

Liquor licences are not transferable. They become void if the premises are sold, leased, assigned or otherwise transferred to another individual or party. To begin the application process, prospective purchasers of premises which are already licensed should contact us once they have an accepted Offer to Purchase or Lease. Allow us three weeks to finish the review.

STANDARDS

To be considered for a licence, the Brew Pub must meet the following production requirements:

- a) All beer must be manufactured on site.
- b) Fermentation, maturation, and storage tanks must each have a minimum capacity of 2 hectolitres.
- c) There must be a weekly minimum capacity for 10 hectolitres of overall fermentation, maturation, and storage.
- d) A brewery must be a complete system capable of producing beer from raw materials (grain or extract) by way of mash tun and/or kettle through to a bright beer tank.

The maximum annual production volume for a brew pub is 10,000 hectolitres.

GENERAL INFORMATION

Production

The maximum alcohol content of beer manufactured by the Brew Pub is 8.5 percent alcohol by volume. Higher gravity beers (over 8.5 percent) must receive written approval from the AGLC.

The Brew Pub licensee shall ensure that the alcohol content, type of container and labelling of its products meets the standards set by the federal government.

Beer produced by the Brew Pub licensee is subject to periodic analysis by the AGLC to ensure that AGLC standards with respect to the following are met:

- ◆ appearance (color, clarity, odor)
- ◆ specific gravity
- ◆ ethyl alcohol
- ◆ PH level

All production materials used must comply with Canadian Food and Drug Regulations (pertinent information is available from Health Protection Branch, Health Canada in Edmonton or Calgary).

Sales

A Brew Pub is a facility that manufactures beer primarily for consumption in an adjoining Class A licensed premises operated by the Brew Pub licensee. A licence authorizes the licensee to sell beer manufactured in the Brew Pub to patrons of its Class A licensed premises, subject to any requirements specified by the AGLC.

A Class E licensee in respect of a Brew Pub shall not sell nor provide beer for consumption off premises, unless the licensee also holds a Class D licence in respect to the Brew Pub. A Brew Pub licensee who also holds a Class D licence to sell beer for consumption off the licensed premises may only sell off sale beer manufactured under the Class E (Brew Pub) licence, and only in containers approved by the AGLC. Off sales are restricted to the licensed premises where the Class E (Brew Pub) licence is located (except as noted below).

A Brew Pub licensee may not sell any beer it manufactures to other licensees, except special event licensees. A Brew Pub licensee may, however, transfer beer it manufactures to other licensed premises which are 80 percent owned by the same individuals operating the Brew Pub.

The flat mark-up paid to the AGLC by the Brew Pub licensee is the same as that paid by all other manufacturers or suppliers of beer to Alberta. This rate is subject to change from time to time.

Other Requirements

Prior to the issuing of a Class E licence for a Brew Pub, the applicant must obtain a Federal Excise Licence. It is the applicant's responsibility to obtain this licence.

The Brew Pub licensee must comply with all federal and provincial standards relating to construction and production standards, and to pay all established licence fees, taxes and duties.

The licensee must meet the AGLC financial policies that include:

- ◆ provision of an "Irrevocable Letter of Credit" in favour of the AGLC, sufficient in amount to cover two months estimated production levies;
- ◆ submission of Brewer's Production Report (FIN/290/95) immediately upon completion of each batch;
- ◆ maintaining records adequate to confirm all details of raw material purchases, sales, expenses, production and inventories. All records are subject to review and audit by the AGLC.

MORE INFORMATION

For more information, to arrange for inspection services, or staff seminars, contact your nearest Regulatory Division office.

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