

Committee of the Whole (2) Report

DATE: Tuesday, April 16, 2024

WARD(S): ALL

TITLE: AMENDMENTS TO NIGHT CLUB AND LOUNGE LICENSING PROVISIONS

FROM:

Gus Michaels, Deputy City Manager, Community Services

ACTION: DECISION

Purpose

Staff are proposing amendments to the City's Business Licensing By-law to add regulatory requirements for night clubs and lounges, and to align certain requirements with the City's new Zoning By-law.

Report Highlights

- On June 30, 2023, all businesses defined as night clubs, lounges and pubs were required to meet respective requirements under the City's Business Licensing By-law.
- Staff are proposing language in the Business Licensing By-law to ensure alignment between licensing provisions and the City's new Zoning By-law. Staff are also proposing a series of additional licensing requirements for night clubs and existing lounges.

Recommendations

1. THAT Council approve amending the Business Licensing By-law by clarifying that where a night club intends to also operate as an eating establishment/restaurant, subject to licensing provisions, such ancillary use must be permitted under the City's Zoning By-law, as amended;
2. THAT Council approve amending the Business Licensing By-law by adding the following requirements for all night clubs and lounges:
 - (a) That upon application, or renewal if not previously provided, a letter from the property owner or authorized property manager be provided stating that the

- business has been or will be allowed to operate in accordance with the applicable lease/rental agreement;
- (b) That upon application and renewal, proof be provided in a manner satisfactory to the Chief Licensing Officer of a valid certificate of general commercial liability insurance, in the amount of at least \$2,000,000; and
 - (c) That upon request from the Chief Licensing Officer, a copy of the executed lease for the property upon which the business operates be provided.

Background

On November 29, 2022, Council approved staff's recommendations to introduce new categories of licences for night clubs, lounges and pubs, in addition to those for other types of eating establishments. To date, the City has issued 4 lounge licences, 2 pub licences and no night club licences.

Since the introduction of the night club, lounge, and pub provisions to the Business Licensing By-law, staff have observed that the Business Licensing By-law would benefit from enhanced clarity in certain areas. For instance, although the Business Licensing By-law does provide for the Chief Licensing Officer to require any other information she or he deems appropriate in the course of issuing a licence or renewing a licence, staff believe that it is more transparent to include specific provisions where the need is universal.

Previous Reports/Authority

Regulation of Lounges / Night Clubs ([Committee of the Whole Item 10, Report No. 38.](#)), approved by Council on November 29, 2022.

Analysis and Options

Under current Business Licensing By-law provisions, night clubs and lounges are required to comply with significantly more stringent requirements, including safety, security and nuisance mitigation requirements. However, night club and lounge owners have the ability to also operate as restaurants when not operating as night clubs or lounges. When operating as restaurants the more stringent requirements need not be in place. In order to avoid any confusion on the matter, owners of night clubs and lounges must file with the Licensing Office the days and times that they intend to operate as a restaurant. During those times they may operate under the same rules as restaurants (as long as they do not carry out any activity that would otherwise be associated with the operation of a night club or lounge).

In order to be as transparent as possible, staff are recommending clarifying language that stipulates that restaurant endorsements for night clubs are only obtainable in areas of the city where such a use is permitted under the City's Zoning By-law. Lounges do

not need this additional requirement, as they must, as part of their initial licensing, meet the definition of eating establishment under Zoning.

To mitigate potential conflicts between landlords and commercial tenants that are or plan to operate a night club or a lounge, staff are recommending that all licence applicants and licence holders provide a letter from the property owner or authorized property manager stating that the business, as it operates or intends to operate is permitted as per the lease or rental agreement in effect. Where deemed appropriate by the Chief Licensing Officer, this requirement could be supplemented by further requiring the applicant or licensee to furnish the Licensing Office with a copy of the executed lease agreement. The provision of a letter of authorization already exists for other licence categories, most notably short-term rentals.

Finally, to address any potential issues of proper insurance coverage, staff are recommending that proof be provided of a minimum of \$2,000,000 coverage through a commercial general liability policy. This requirement already exists as well for numerous business licensees.

Financial Impact

There are no anticipated financial implications to the City's budget as a result of the recommendations of this report.

Operational Impact

There are no material implications to other City departments as a result of the recommendations of this report.

This report was prepared in consultation with Legal Services.

Broader Regional Impacts/Considerations

There are no broader regional impact or considerations as a result of the recommendations of this report.

Conclusion

Since the introduction of the night club and lounge licence categories, staff have identified opportunities for greater clarity and transparency in the Business Licensing By-law, including clarifying eligibility for eating establishment endorsements, and requirements for letters of authorization and proof of insurance. Staff believe that these amendments will assist further in mitigating nuisances issues and ensuring compliance.

For more information, Susan Kelly, Director and Chief Licensing Officer, By-law & Compliance, Licensing & Permit Services, ext. 8952.

Attachments

N/a

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Approved by



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Reviewed by



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