



**Special Council Meeting
Monday, February 5th, 2007**

Time: 4:00 p. m.
Place: Anderson Room
Richmond City Hall
Present: Mayor Malcolm D. Brodie
Councillor Linda Barnes
Councillor Cynthia Chen
Councillor Evelina Halsey-Brandt
Councillor Sue Halsey-Brandt (4:22 p.m.)
Councillor Rob Howard
Councillor Bill McNulty
Councillor Harold Steves
Acting Corporate Officer – Gail Johnson
Absent: Councillor Derek Dang
Call to Order: Mayor Brodie called the meeting to order at 4:00 p.m.

RES NO. ITEM

SP07/2-1 It was moved and seconded
That the agenda for the special Council Meeting on Monday, February 5th, 2007, be accepted.

CARRIED

BUSINESS LICENCE CANCELLATION HEARINGS

1. **0755774 BC LTD. DBA: QK KARAOKE STUDIO – LICENCE CANCELLATION**
(Report Jan. 9'07, File No. 8275-06) (REDMS No 2047917)

Opportunity for Business Licence Holder to be heard in accordance with Section 60 of the Community Charter – Representative of 0755774 BC Ltd. dba as QK Karaoke Studio.

Mr. Samuel Lee, #2 – 3580 East 49th Avenue, Vancouver, advised that he was the new owner of the QK Karaoke Studio, and that he had reviewed a copy of the staff report. Mr. Lee then provided the following information:



Special Council Meeting – Monday, February 5th, 2007

RES NO. ITEM

- at the time of the issuance of two of the tickets, he had been out of the country due to a death in his family
- he had purchased the business from the previous owner, and that two employees had left since he had acquired the business; these two employees were responsible for selling liquor without his permission
- since his return to Vancouver on November 11, 2006, when the second ticket was issued, he had observed one of his staff selling alcohol, and as a result, that individual had been fired
- he intended to remain in Vancouver and hoped to correct the infractions which had been occurring
- based on the staff report, he could understand why he had received notification of the possible cancellation of his business licence, however, he did not believe that it was fair that he be penalized for infractions which had occurred during the 10 years prior to his purchasing the business in May, 2006.

In response to questions from Council, Mr. Lee advised that:

- he had been called back to China due to a death in his family and at the time, had not anticipated that he would be absent for one year; as a result he had not named anyone to act as manager on his behalf; during his year-long absence he did not have a manager operating the establishment
- he had been an employee of the establishment under the previous owner, and that as an employee, he had been aware of some problems which had occurred, however that it was difficult to have 100% control over individuals who brought liquor or firearms onto the premises
- at the time of purchasing the business, he had not undertaken a complete background check however he had been aware of illegal activities taking place;
- there were ‘things’ which could not be controlled, but he would try.

SP07/2-2

It was moved and seconded

That the business licence of 0755774 BC Ltd. dba: QK Karaoke Studio operating from premises located at Unit # 230 – 4231 Hazelbridge Way, Richmond, B.C., BE CANCELLED for the following reason(s):



Special Council Meeting – Monday, February 5th, 2007

RES NO. ITEM

By violating the Liquor Control and Licensing Act and Regulations, this business has also violated the Business Licence Bylaw No 7360 at section 5.1 (b) & (d) and Business Licence Regulations Bylaw No 7538 at section 22.1 (b) & (d) by failing to comply with any of the provisions of these two bylaws, or any other bylaw or applicable statute and by failing to maintain the standard of qualification required for the issuance of a business licence. Further, this business has permitted smoking inside the premise, contrary to Public Health Protection Bylaw No. 6989, section 6.1.1.1(a) to (k).

The question on Resolution No. SP07/2-2 was not called, as Council members expressed their support for the motion. Comments were made that while it was unfortunate for the business owner, a year's absence without a manager left the public and the City at risk. Concern was also voiced about statements made by the owner that he could not control who entered his premises.

Further comments were made that patrons of the business were also put at risk because of the action of the owner not to hire a manager, and that the owner must be responsible for what took place at his business, whether he was absent from the country or not. It was also noted that the owner, as a previous employee, had been aware of the illegal activities which had been taking place prior to his purchasing the business. Concern was expressed about the obvious lack of control on the part of the owner and the comment was made that the City could not allow businesses to operate in this manner.

(Cllr. Chen left the meeting at 4:12 p.m., and returned at 4:15 p.m., during the above discussion.)

The question on Resolution No. SP07/2-2 was then called, and it was **CARRIED.**

2. DEROYE ENTERPRISES LTD. DBA: GREEN ELEMENT DINING & LOUNGE – LICENCE CANCELLATION

(Report, Jan 12-07, File No: 8273-06) (REDMS No 2050370)

Opportunity for Business Licence Holder to be heard in accordance with Section 60 of the Community Charter – Representative of Deroye Enterprises Ltd. dba Green Element Restaurant.

A representative of Deroye Enterprises Ltd. dba Green Element Restaurant was not in attendance at this time.



Special Council Meeting – Monday, February 5th, 2007

RES NO. ITEM

SP07/2-3

It was moved and seconded

That the business licence of Deroye Enterprises Ltd. operating as Green Element Restaurant, at 8788 McKim Way-Unit # 2170, Richmond, B.C., BE CANCELLED for the following reason(s):

- (1) Over a nine month period, this business was cited with 17 contraventions of the Liquor Control and Licensing Act and Regulations, resulting in monetary fines totalling \$29,500 and eventual cancellation of their Food Primary liquor licence. In addition, this business has received two Municipal Ticket Informations, (MTI's) from the City of Richmond, under the Public Health Protection Bylaw No 6989, sec 6.1.1.1(a) to (k), operator permitting smoking. As well, by chaining and locking the gates to common area fire escape corridors, ostensibly to prevent inspection of the business premises by authorities, this business has seriously endangered public safety.*
- (2) By violating the Liquor Control and Licensing Act and Regulations and the Public Health Protection Bylaw, this business has also violated the Business Regulations Bylaw No. 7538 and Business Licence Bylaw No. 7360, whereby, failing to comply with any provisions of any Bylaw or applicable statute, is also a violation of these Bylaws, by failing to maintain the standard of qualification required for the issuance of their Business Licence.*

The question on Resolution No. SP07/2-3 was not called, as Councillors expressed their support for the proposed motion. Reference was made to the blower installed in the ceiling to draw smoke out of the establishment, and comments were made about the forethought of the owners in endeavouring to (i) bypass City regulations, and (ii) keep inspectors out. Comments were made that it was necessary to get the message out that regulations were in place for a reason to keep patrons and the public safe, and that if business owners chose not to uphold these regulations, then their business licences would be revoked.

Reference was also made during the discussion to the number of Liquor Control & Licencing Branch (LCLB) liquor violation penalties incurred by the owner and to the subsequent cancellation of the liquor licence for the establishment.



Special Council Meeting – Monday, February 5th, 2007

RES NO. ITEM

At this point, advice was given that the owner and manager of the Green Element Restaurant had arrived at the hearing. As a result, the following **tabling** motion was introduced:

SP07/2-4

It was moved and seconded
That Resolution No. SP07/2-3 be tabled.

CARRIED

(Cllr. Sue Halsey-Brandt entered the meeting – 4:22 p.m.)

Eddy Chen, Manager, accompanied by Roger Chen, Owner, circulated correspondence to all members of Council, in which the owner addressed the concerns of the City and the tenants of Cosmos Plaza, a copy of which is on file in the City Clerk's Office. Eddy Chen (spokesman for the delegation) advised that the restaurant operation was their first business and that they did not have the experience or knowledge to deal with staff that they did not know well. He further advised that a great deal of time and effort had been spent in establishing the restaurant and after obtaining the liquor licence, had been unable to handle the management of this business.

Mr. Chen indicated that they knew that 'they did do something wrong' and were now asking for the opportunity to keep the restaurant as their business. He stated that there would no longer be a liquor licence in place. He referred to the correspondence circulated to Council and spoke about the changes which had been initiated to demonstrate their commitment, such as:

- no liquor or cigarettes had been allowed in the premises of the restaurant since September, 2006
- due to the hours of operation, the owner had taken the initiative of keeping all gates and fire escape routes open until all customers had cleared the premises of the plaza
- the in-house staff had been overhauled and more experienced staff had been hired to better the service and responsibility within the restaurant
- the Liquor Licencing Board had been contacted regarding the arrangement of payment for the fines bestowed upon the owners
- a signed letter had been received from the strata agreeing that the current changes performed had satisfied their needs.



Special Council Meeting – Monday, February 5th, 2007

RES NO. ITEM

Mr. Chen stated that all of their money had been spent on the restaurant and that the business was their livelihood. He added that it was difficult to run a business and that obtaining a liquor licence had resulted in problems. He further added that a meeting of the shareholders had resulted in an agreement being reached that only the restaurant would continue to operate.

Mr. Roger Chen, in making a brief statement, advised that no alcohol had been served for the past five months; that many mistakes had been made, but that the owners were now focusing on the restaurant business. He concluded by indicating that they would like to have the opportunity to continue with their restaurant business.

Discussion then took place among Councillors and the delegation, with reference being made to the petition submitted by the owners at this meeting and to the original petition which had been included in the staff report. Concern was voiced that the tenants who had signed the second petition (submitted at this meeting) did not correspond to the tenants in the original petition. Information was provided by the delegation that the second petition represented those tenants who were in favour of allowing the restaurant to continue.

Reference was also made to the first petition, and to statements made in that petition that the owners of the Green Element had the keys and locked the gates to the mall at night. In response, Eddy Chen stated that the owners were not in control of the keys and were not locking the gates at night, and that another individual had been authorized by the owner of the mall to lock the gates. Mr. Chen stated that following a discussion between Mr. Duarte and the owner of the mall, the locks to the gates were removed. He then clarified that although he did have the keys, he was not locking the gates. He added that the chains had been removed and that patrons now could exit but not enter the mall gates.

Reference was then made to statements in the first petition that customers and staff were urinating in public and in the hallways, and vomiting in common areas such as hallways and walkways; that rowdy parties were making it difficult for other businesses to operate; that staff were intimidating other business owners and customers; that windows had been broken, and that gang fights and a stabbing had occurred.



Special Council Meeting – Monday, February 5th, 2007

RES NO. ITEM

Mr. Chen acknowledged that customers had broken two windows; that fighting had taken place outside of the restaurant but inside the plaza, and that an individual had been stabbed. With regard to gangs, Mr. Chen stated that not all of the patrons were 'regular people' and that they were difficult to control.

Reference was made to statements made by the delegation that the restaurant had been operating without any problems since September, 2006, and that they were good corporate citizens. Reference was also made to statements in the staff report that an inspection undertaken in October, 2006 found that illegal activities were still taking place. Mr. Chen, in answer, advised that the restaurant lost its liquor licence in October and that the inspection referred to had taken place one day prior to losing the licence. He stated that following cancellation of the liquor licence, the illegal activities had stopped.

Reference was made to the fact that the owners had installed a blower to remove smoke even though they were aware that smoking was not permitted in the restaurant, and that even though the owners were aware of the importance of access and egress in the event of a fire, they had put chains on the gates leading to the plaza.

Questions were asked as to how Council could believe the delegation that there would be no further problems, and Mr. Chen acknowledged that it was difficult to believe them but that was all he could say. He then invited members of Council to visit the restaurant at any time to determine how the restaurant was operating and to see that the restaurant was operating without serving alcohol or smoking taking place.

Discussion continued, with concern being expressed about statements being made by the owner that he could not control his customers, and questions were raised as to why the owner did not simply close the doors if problems were occurring.

In concluding their presentation, Mr. Chen stated that they had had a difficult time when they first opened their restaurant and had suffered financially. He stated that when the restaurant was granted a liquor licence, the number of customers increased substantially, revenue increased and they were suddenly 'headed in the wrong direction'.

The delegation was then excused from the table.

The Manager, Business Liaison, Amarjeet Rattan, Cpl. Brian Edwards of the Richmond Detachment of the RCMP and LCLB Liquor Inspector Doug Dyck then came forward.



Special Council Meeting – Monday, February 5th, 2007

RES NO. ITEM

Reference was made to the original petition submitted as part of the staff report, and advice was given by Mr. Rattan that it was his understanding that the petition had initially been set to the LCLB and then provided to him as part of the LCLB report. Mr. Dyke confirmed that the petition in question had been forwarded to him by one of the tenants just prior to the LCLB hearing regarding cancellation of the restaurant's liquor licence. Further advice was given in response to questions, that City staff had not received a copy of the second petition and were not aware as to whether there were any happy tenants.

In response to further questions about the history of the business owners since September and the attitude of the other tenants, information was provided by Cpl. Edward that an inspection had taken place at 2:45 a.m. on December 2, 2006, and that although officers could see people inside, they were denied entry to the building. Cpl. Edward further advised that he had not conducted any further inspections at this business since that time. In answer to questions, Cpl. Edward advised that they had gained access as far as the front door of the restaurant and had been refused entry at that point.

Mr. Rattan then spoke about the cancellation of the liquor licence, stating that the business owners did not voluntarily give up the licence as had been stated in their correspondence, but instead, the licence in question had been cancelled by the LCLB.

With reference to amount of money owing to the LCLB with respect to unpaid fines, and to comments made by Mr. Chen that he had contacted the LCLB about paying the amount owing by instalment, Mr. Dyck advised that the LCLB did not accept instalment payments on outstanding fines.

SP07/2-5

It was moved and seconded

*That Resolution No. SP07/2-3 be lifted from the table.***CARRIED**

A brief discussion ensued, with the comment being made that it must be made clear that the City would not tolerate or accept any business which did not comply with its regulations.

The question on Resolution No. SP07/2-3,

“That the business licence of Deroye Enterprises Ltd. operating as Green Element Restaurant, at 8788 McKim Way-Unit # 2170, Richmond, B.C., BE CANCELLED for the following reason(s):



Special Council Meeting – Monday, February 5th, 2007

RES NO. ITEM

- (1) *Over a nine month period, this business was cited with 17 contraventions of the Liquor Control and Licensing Act and Regulations, resulting in monetary fines totalling \$29,500 and eventual cancellation of their Food Primary liquor licence. In addition, this business has received two Municipal Ticket Informations, (MTI's) from the City of Richmond, under the Public Health Protection Bylaw No 6989, sec 6.1.1.1(a) to (k), operator permitting smoking. As well, by chaining and locking the gates to common area fire escape corridors, ostensibly to prevent inspection of the business premises by authorities, this business has seriously endangered public safety.*
- (2) *By violating the Liquor Control and Licensing Act and Regulations and the Public Health Protection Bylaw, this business has also violated the Business Regulations Bylaw No. 7538 and Business Licence Bylaw No. 7360, whereby, failing to comply with any provisions of any Bylaw or applicable statute, is also a violation of these Bylaws, by failing to maintain the standard of qualification required for the issuance of their Business Licence.”,*

was then called, and it was CARRIED.

ADJOURNMENT

SP07/2-6

It was moved and seconded
That the meeting adjourn (4:58 p.m.).

CARRIED

Certified a true and correct copy of the Minutes of the Special Meeting of the Council of the City of Richmond held on Monday, February 5th, 2007.

Mayor Malcolm D. Brodie

Acting Corporate Officer (Gail Johnson)