



To: Community Safety Committee **Date:** May 14, 2024
From: Mark Corrado **File:** 09-5355-00/Vol 01
 Director, Community Bylaws and Licencing
Re: **Review of Hours of Operation of Karaoke Clubs and Night Clubs**

Staff Recommendation

That the permitted hours of operation of Karaoke Clubs and Night Clubs remain unchanged as outlined in the staff report titled “Review of Hours of Operation of Karaoke Clubs and Night Clubs”, dated May 14, 2024, from the Director, Community Bylaws and Licencing.

Mark Corrado
 Director, Community Bylaws and Licencing
 (604-204-8673)

REPORT CONCURRENCE		
ROUTED TO: RCMP	CONCURRENCE <input checked="" type="checkbox"/>	CONCURRENCE OF GENERAL MANAGER
SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

At the February 26, 2024 Council meeting, the following was resolved:

That staff review the material provided by the delegation and examine the hours of operation of karaoke clubs and night clubs and report back.

This report supports Council's Strategic Plan 2022-2026 Focus Area #3 A Safe and Prepared Community:

Community safety and preparedness through effective planning, strategic partnerships and proactive programs.

Background

There are currently ten licenced Karaoke businesses operating in the City. Karaoke Box Rooms are classified as Commercial Entertainment within the Assembly Use Group 3 category of the Business Licence Bylaw No. 7360. They are further regulated under Business Regulation Bylaw No. 7538 section 10.1 which states:

"Every karaoke box room operator may only permit a karaoke room to be open for business from 8:00 a.m. of any calendar day to 2:30 a.m. of the next calendar day."

Karaokes may also possess a food primary or liquor primary licence, which is issued by the Liquor Cannabis Regulation Branch (LCRB). This liquor licence also states the hours of permissible liquor service. The LCRB has issued a combined 411 food primary and liquor primary licences in the City of Richmond. Any request to the LCRB for a change to a liquor licence, such as an extension of liquor service hours, will trigger an automatic Staff and Council review. While the LCRB is the lead agency for the regulation and enforcement of liquor licencing, its Liquor Inspectors often conduct joint operations with City staff and the RCMP.

Night Clubs are also classified as Commercial Entertainment within the Assembly Use Group 3 category of the Business Licence Bylaw No. 7360. Night Clubs also require a Liquor Primary licence issued by the LCRB. All Liquor Primaries also fall within the purview of Council Policy 9400 which was adopted by Council on July 25, 2016. Council Policy 9400 Section 3(a) stipulates the following:

3. Permanent Changes to Liquor Licences

a. All applicants seeking approval to extend liquor hour service (new or amended) past 2:00 a.m. will not be supported by the City.

Policy 9400 further restricts all rezoning applications new or relocated liquor primary clubs to be at least 500m from a school, park or community centre. The intent of this restriction is to reduce the potential for neighbourhood conflict (noise, disturbing the peace etc).

Analysis

Prior to the introduction of Council Policy 9400, there were previous attempts to extend liquor service hours beyond 2:00 a.m. In the April 13, 2004 open staff report, titled “JP Malone’s Liquor Licence Application”¹, from the Manager of Customer Service, the following issues and risks were cited by neighbourhood residents and key stakeholders such as Vancouver Coastal Health and the RCMP:

Table 1 Summary of Comments Re: JP Malone's Liquor Application

Resident’s Concerns (40 Resident Letters)	Vancouver Coastal Health	RCMP
<ul style="list-style-type: none"> • Noise disturbance • Traffic issues • Vandalism • Littering of beer bottles • Negative impact on neighbourhood 	<ul style="list-style-type: none"> • Due to noise concerns extension of liquor service hours not recommended. (at the time VCH conducted noise call response) 	<ul style="list-style-type: none"> • Seized weapons • Alcohol taken from the pub to the individuals’ cars • Intoxicated people getting into their cars • Yelling and shouting when leaving the pub which led to noise complaints • Patrons urinating in public after closing • Evidence of fights amongst patrons

As noted in the table above, liquor primaries may be subject to community conflict/concerns as well as health and safety issues. Given these issues, it is not surprising that 97% of the local residents surveyed in the JP Malone’s application were opposed to the extension of liquor service.

Vancouver Liquor Policy Changes

In a letter (Attachment 1), the owner of the Zodiac Karaoke and Pub establishment cites the inability to compete with competitors in Vancouver. A further letter from the President and CEO of the British Columbia Restaurants and Food Services Association (Attachment 2) called for balance in the application of liquor policies across the region and again cited Vancouver’s new liquor policies changes.

These letters reference competition pressures in relation to increased recent liquor policy changes passed by Vancouver City Council in December 2023. These changes included:

“removing distance requirements on all liquor establishment licences citywide including lifting the moratorium on new liquor establishments and seat expansions at existing establishments in the Granville Entertainment District [GED]and the Chinatown,

¹ https://citycouncil.richmond.ca/_shared/assets/042604_item123411.pdf

Gastown, Industrial, Thornton Park, and Victory Square areas as defined by the Liquor Policy for the Downtown Eastside.”

In addition to the lifting of a moratorium on liquor distancing policy, Vancouver also aligned operating hours for Liquor Establishments between Drake Street and Georgia Street so that they operate under the same hours.² Select geographic areas such as the GED, allow for extended hours for service that run from 9:00 a.m. to 3:00 a.m. seven days a week. While Vancouver staff anticipated a positive impact in the form of ‘business flexibility and innovation’, they also noted the following risks:

“Removal of the moratorium does risk increasing late night disorder, including gender based violence and public health harms from intoxication, all of which are significant concerns in the GED. Expanded opportunities for pubs and nightclubs must be accompanied by new and ongoing measures to protect public health and safety for residents and for visitors. Through the Granville Street Planning process staff will work with stakeholders to develop an equitable approach and recommendations to address public safety in the GED. Early recommendations that are being explored include a sobering space, drop-in service for survivors of gender based violence, and increased funding for evening street outreach.”

However, unlike Vancouver, Richmond does not have designated entertainment zones for liquor primaries. As a result, any general extension of liquor service hours for liquor primaries would have a broader geographical impact and increased likelihood of neighbourhood conflict from the issues described above.

Regional Scan of other Municipalities

Staff conducted a scan of neighboring municipalities regarding their regulations on hours of liquor service operations. In reviewing liquor primary regulations for the cities of New Westminster, Surrey and Burnaby, it was found that the latest a liquor primary license holder may apply for extended hours is 2:00 a.m.

Case Study

The RCMP and Bylaws conducted a case study and determined that a considerable number of investigations occurred between 2022 and the first quarter of 2024 in relation to neighbourhood disturbances and other calls for service in relation to a liquor primary and Karaoke. The majority of these calls for service occurred late in the evening and a significant portion occurred around closing time between 12:00 a.m. and 2:00 a.m. Given the safety issues with persons who may be intoxicated, City Staff conduct their inspections as part of a joint-operation with specialized RCMP units and LCRB.

Community Impact

Given the high number of community safety related issues found in the recent past during their preliminary research and case study, Staff do not recommend extending the hours of operation or

² <https://council.vancouver.ca/20231213/documents/cfsc1.pdf>

liquor service for Karaoke and Night clubs. Many of the calls for service were related to neighbourhood disturbances and it is likely that any proposal to extend hours would be met with significant neighbourhood opposition as shown in the case of JP Malone's. Moreover, as noted in the Vancouver staffing report, a significant service level increase for law enforcement related resources would likely be required.

Financial Impact

No financial impact is anticipated, if the status quo remains. If, however, Liquor Primary service rules and operating times were to change, staff would report back on the service level increase that would likely be required.

Conclusion

This report provides a review of existing bylaws and policies in relation to the hours of operation and liquor service for Karaoke and Night clubs. Given the potential for increased neighbourhood conflict and related community safety issues, no change to the existing bylaws and Council Policies is recommended.



Mark Corrado
Director, Comm Bylaws and Licencing
(604-204-8673)

MC:mc

Att. 1: Letter from Zodiac Karaoke and Pub Inc.
2: Letter from BCRFA

This is a letter addressing the City of Richmond,

We are a group of Richmond nightlife & pub establishments that are coming together as a community to propose for the city to grant an ongoing operations extension.

In recent announcements, all nightlife establishments within the Vancouver entertainment vicinity have been granted a 4AM licence. This has made it difficult for us Richmond business owners to compete.

We have begun a process with the city of Richmond to extend the business hours for our establishment from 2:00 AM last call to a 3:00 AM last call and 3:30 AM closing.

We are beginning this process for economic reasons. This will also allow us more time with a new liquor extension.

We feel that the entertainment model that most of us operate under is one that begins at a later hour than most other non Karaoke Liquor primary, or Food Primary Karaoke establishments.

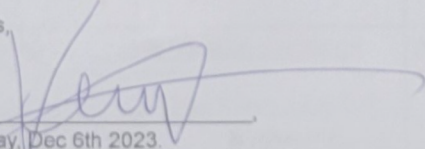
Given the nature of our business and industry, we find that it's also difficult to consider opening at an earlier time and closing up early as we have a late night culture to our industry. Most clients are used to the 3AM end time, now which is being extended in Vancouver till 4AM.

That additional two hours that we as business owners are not operating caused us to not only lose more customers to businesses based in Vancouver but also miss profit that we should be capable of earning, but losing to businesses who are allowed to stay open later than ours.

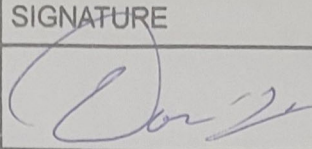
Please consider this community supported letter from owners within the pub & nightlife space to ask for later operating hours.

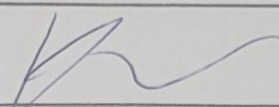
In this climate of high inflation, taxes and wages, we need some help from the City to help us have the same opportunities as everyone else throughout the city.

Warmest Regards,

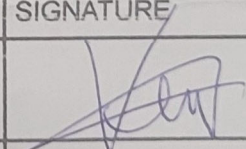

Signed Wednesday, Dec 6th 2023

Jun Gang-Gu,
Zodiac Karaoke & Pub Inc.
8191 Alexandra Road, Richmond B.C V6X 1C9
Supported By:

LEGAL NAME	BUSINESS ROLE	SIGNATURE
Don Lui	owner	
BUSINESS NAME	BUSINESS ADDRESS	DATE
Millennium Karaoke	4451 No. 3 Rd #201 Richmond	Dec. 14/23

LEGAL NAME	BUSINESS ROLE	SIGNATURE
Yunteng Sun	Manager	
BUSINESS NAME	BUSINESS ADDRESS	DATE
Free Trues Club	180-8400 Alexandra Road. Richmond	Dec 14. 2023

LEGAL NAME	BUSINESS ROLE	SIGNATURE
Qi Yu zhang ⁽²⁾	owner	赵齐章
BUSINESS NAME	BUSINESS ADDRESS	DATE
No. 88 club	8500 Alexandra Rd Richmond	2023.12.12

LEGAL NAME	BUSINESS ROLE	SIGNATURE
Jun Gang Gu	owner	
BUSINESS NAME	BUSINESS ADDRESS	DATE
Zodiac Karaoke & Pub Inc	8191 Alexandra Rd Richmond	Dec 12, 2023



January 24th. 2024

Re: Zodiac Karaoke Club extended hours request.

To whom it may concern,

Please accept this as our letter of support for the extension of business hours, from 2:00 a.m. until 3:00 am for the Zodiac Karaoke Club, located at 8191 Alexandra Rd, in Richmond, as well as other similar Richmond businesses.

The business of Karaoke Club and Nightclub (stand alone) have clientele that attend at later hours, putting them at an unfair disadvantage over restaurants and liquor primary establishments, which provide a Karaoke platform.

Karaoke and Nightclubs are not able to operate at the same time as restaurants and liquor primary establishments, as their clientele seek out this brand of entertainment at later hours.

With large investments and high overhead, these types of business models, in Richmond, are also adversely impacted by the recent changes to Vancouver's liquor policies.

We believe that liquor policies should be balanced throughout the region so as to not cause adverse effects on competitors in neighboring communities.

Yours truly

A handwritten signature in black ink, appearing to read "Ian Tostenson".

Ian Tostenson
President/CEO

The Voice of BC Restaurants

www.bcrfa.com

600 - 890 West Pender Street, Vancouver, BC V6C 1J9 • T: 604.669.2239 • F: 604.687.1327