



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: October 3, 2006
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Meeting Date: October 19, 2006

TO: Standing Committee on Planning and Environment

FROM: Chief License Inspector

SUBJECT: 455 Abbott Street - Lotus Hotel Ltd.,
Liquor Primary Liquor License Application for an Increase in Patron
Capacity

RECOMMENDATION

THAT Council, having considered the opinions of area residents and business operators notified by an on-site sign and flyers, the proximity of residential developments, noise impacts and relevant city policy as outlined in this report titled "455 Abbott Street - Lotus Hotel Ltd., Liquor Primary Liquor License Application for an Increase in Patron Capacity", dated October 3, 2006, endorse the request by Lotus Hotel Ltd. for an increase in person capacity for the Liquor Primary Liquor License (license #73737) from 45 to 103 seats (Liquor Establishment Class 2) at Honey Lounge, 455 Abbott Street, subject to:

- i. Adhering to clean air practices;
- ii. Signing a Good Neighbour Agreement with the City; and
- iii. A Time-limited Development Permit.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services RECOMMENDS approval of the foregoing.

COUNCIL POLICY

Council Policy requires that amendments to existing Liquor Primary licenses be subject to public consultation and Good Neighbour Agreements.

On May 16, 2006, Council enacted amendments to the Business Premises Regulation of Hours Bylaw that implements the Hours of Liquor Service policy for the city bars into by-law regulation.

On July 14, 2005, Council approved policy and guidelines relating to the size and location for new liquor establishments or for capacity increases to existing liquor establishments.

On November 18, 2004, Council adopted the Hours of Liquor Service Policy that established a new model for regulating hours of liquor service for Liquor Primary establishments, based on an area approach and incorporating a two-tiered licensing system and impact reduction measures.

PURPOSE

The applicant, Lotus Hotel Ltd., is requesting a Council resolution endorsing their application for an increase in patron capacity to their existing Liquor Primary liquor license from 45 to 103 seats (Liquor Establishment Class 2) via the conversion of 58 seats from the existing Food Primary liquor license at Honey Lounge located at 455 Abbott Street.

BACKGROUND

Lotus Hotel Ltd. has been operating at this location since 1987 (originally operating as Heritage House Hotel Ltd.). There are currently 1 Food Primary liquor license (#182998) operating as Honey Lounge and 3 Liquor Primary liquor licenses (#30281 - Lotus Sound Lounge, #3347 - Milk Pub and #78737 - Honey Lounge). The conversion of the Honey Lounge food primary seats to the existing Honey Lounge liquor primary seats is the subject of this report. By converting the Food Primary seats into Liquor Primary seats, the applicant feels they will be better able to manage the 2 areas.

Area Surrounding Premises

The subject premises are located in the Downtown (DD) Zoning District and for the purposes of liquor policy it is considered a primarily mixed-use downtown area. The surrounding area is primarily office towers and a mixture of hotels, restaurants, neighbourhood pubs, cabarets, retail and other commercial uses (refer to Appendix A).

There are 1 Liquor Establishment Class 1 (45 seats), 6 Liquor Establishment Class 2 (766 seats), 6 Liquor Establishment Class 3 (1297 seats), and 1 Liquor Establishment Class 5 (520 seats) located within a 1000' radius of the subject site (2678 total liquor seats). This includes the applicant's Liquor Establishment Class 1 (45 seats) and 2 Liquor Establishment Class 2 (225 seats). Also, there are approximately 14 licensed restaurants are within the 1000' radius.

DISCUSSION

Policy Issues:

The capacity increase results in a change to the establishment's business license class from a Liquor Establishment - Class 1 to Liquor Establishment - Class 2. Therefore, the distancing policy between similar establishments becomes a factor for consideration. However, this factor is unique in that all the licenses that create the policy conflict are operated by the

same owners and located within the same building. Also, staff note that the premise (Honey Lounge) will continue to provide food service as advised by the applicant (Noon to 10:00 p.m., Monday to Saturday and closed on Sundays).

Positive Application Attributes

The applicant contends the approval will facilitate the resolution of the problem they are having with controlling the flow of patrons in the business between the Restaurant and Liquor Establishment areas. The applicant also states that the daytime food service business has been negatively impacted by the street drug trade. As a result, approval should improve the viability of the business.

This change will require a Development Permit application which would only be approved on a temporary basis. This added control should offset concerns related to enforcement issues.

Negative Application Attributes

An increase in seating capacity may result in added noise and nuisance issues for the surrounding community. Also, approval will result in the loss of a food serving venue in the area that can accommodate families. However, staff acknowledge that this may not currently be a pressing concern for the area but feel it will become a more important issue once the street issues are resolved and the area improves.

Enforcement History

The primary enforcement issue with this liquor licensed establishment concerns noise complaints from area residents. Investigations of the complaints have not resulted in further enforcement action. Staff continue to monitor the premise on an irregular basis.

FINANCIAL IMPLICATIONS

There are no financial implications.

RESULTS OF NOTIFICATION

A neighbourhood notification was conducted by circulating 1594 notices in the survey area (see Appendix A). Notices could not be delivered to 88 West Pender Street and to the 4th Floor, 111 Dunsmuir Street. A site sign was also erected advising the community of the application and where to send concerns or comments. Four emails, 2 phone calls and one letter were received from within the notification area opposing the application. Three emails, one from outside the notification area and two with no fixed address attached, were also received opposing the application. All respondents are concerned with the added noise that may result in converting the Food Primary liquor license and combining it with the existing Liquor Primary liquor license to the area. Most respondents had concerns about noise issues currently coming from the establishment and the impact the increased noise may have on the residents of the building. Most also believed that there are already enough liquor establishments in the area.

COMMENTS

The Police Department has reviewed the application and supports the application.

The Development Service Department has reviewed the application and note that the site is regulated by the Downtown Official Development Plan. The existing space is approved as Restaurant Class 1 use and that Neighbourhood Public House can be conditionally allowed. Any proposal to change the use of the premises from Restaurant Class 1 to Neighbourhood Public House will require a Development Permit application. As part of the review, processing staff would include assessment of the anticipated impacts on nearby sites and for compliance with the Downtown Official Development Plan.

The Vancouver Coastal Health has reviewed the application and has no comments at this time.

The Social Planning Department has no comments at this time.

The Housing Centre has reviewed the application and note that this establishment is located in the Downtown Eastside in the midst of residential buildings. There are more than 900 non-market housing units and more than 1500 SRO units within a two block radius. At least 30% of the non-market housing residents are seniors. The Housing Centre is concerned about the impacts of additional liquor seats in this already well served area.

CONCLUSION

Staff acknowledge that the operation of a food primary establishment in this area is difficult. Also, given the uniqueness of this application (conversion of Food Primary seats into Liquor Primary seats on a site that already contains 2 Liquor Establishment Class 2 businesses), staff are not concerned about precedent being set for the variance to current Council policy that would occur with the endorsement of this application. Furthermore, the issues expressed by the few area residents responding to the public consultation and the Housing Centre should be addressed through the recently approved License Bylaw regulations and the increased civic control through the time-limited development permit. As a result, staff recommend Council endorse the applicant's request.

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LEGEND

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|----------------------------|-----------------------|-----------------|
| (A) Social / Private Clubs | (B) Parks | (C) Churches |
| (D) Schools | (E) Social Facilities | (F) Residential |

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| (1) 455 Abbott St. {Lotus Hotel: Sound & Honey Lounge, Milk Pub} | (6) 74 W Hasting St. {Grand Union Hotel} |
| (2) 320 Abbott St. {Metropole Pub} | (7) 340 Cambie St. {Pub 340} |
| (3) 50 W Cordova St. {Hildon Hotel: 50 Bourbon St} | (8) 300 Cambie St. {Cambie Hotel} |
| (4) 315 Carrall St. {Ranier Hotel: Limerick Junction} | |
| (5) 37 W Hastings St. {Funky Winker Bean's} | |

LIQUOR PRIMARY (LIQUOR ESTABLISHMENT CLASS 2) 455 Abbott Street	map: 1 of 1 <div style="text-align: center;">↑</div>
City of Vancouver - Licenses & Inspections	date: Sept. 15, 2006