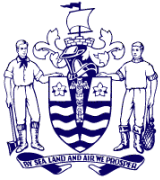


CITY OF VANCOUVER



ADMINISTRATIVE REPORT

Report Date: March 20, 2007
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VanRIMS No.: 11-4600-01
Meeting Date: April 5, 2007

TO: Standing Committee on Planning and Environment

FROM: Chief Licence Inspector

SUBJECT: 760 Pacific Boulevard - Edgewater Casino ULC
Liquor Primary Liquor Licence

RECOMMENDATION

THAT Council, having considered the opinion of area residents and business operators of the community as determined by neighbourhood notifications, the proximity of residential developments, potential noise impacts and relevant Council policy as outlined in the Administrative Report dated March 20, 2007, entitled "760 Pacific Boulevard - Edgewater Casino ULC - Liquor Primary liquor licence", endorse the application by Edgewater Casino ULC for a Liquor Primary liquor licence (Liquor Establishment Class 6) at 760 Pacific Boulevard subject to:

- i. A maximum total capacity of 2,643 persons;
- ii. Outdoor capacity of 221 persons;
- iii. A Time-Limited Development Permit;
- iv. Hours of operation limited to 9:00am to 2:00am, seven days per week;
- v. The surrendering of the existing Food Primary Liquor License at the time of issuance of the Liquor Primary License in the casino building and Plaza of Nations with a total capacity of 4,759 persons;
- vi. The cancellation of the Liquor Primary License if the primary use of the establishment changes from that of a casino;
- vii. The patios ceasing all liquor service by 11:00 pm and no music permitted on the patio;
- viii. Patrons being permitted to remain inside the casino establishment after the ceasing of Liquor Service at 2:00 am; and
- ix. A signed Good Neighbour Agreement prior to business licence issuance.

GENERAL MANAGER'S COMMENTS

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

CITY MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

COUNCIL POLICY

Council policy requires new Liquor Primary liquor licences to be subject to a Time-Limited Development Permit, Good Neighbour Agreement, and public consultation.

On May 16, 2006, Council enacted amendments to the Business Premises Regulation of Hours By-law that implements the Hours of Liquor Service policy for liquor primary establishments into by-law regulation.

PURPOSE & SUMMARY

Edgewater Casino ULC, located at 760 Pacific Boulevard, is seeking Council resolution endorsing their application for a 2,643 total capacity Liquor Primary liquor license (Liquor Establishment - Class 6) which includes 221 seats for two outdoor patios, and hours of licensing of 9:00am to 2:00am, seven days a week.

The request from Edgewater Casino ULC is consistent with Council's liquor policy for the area. The establishment is an existing casino currently with a Food Primary liquor license restricted to the restaurant dining area. The applicant seeks to replace the Food Primary liquor license with a new Liquor Primary liquor license. The proposed liquor license would include the gaming floor, theatre and two outdoor patio areas. The operations of the licensed casino and entertainment facility will remain the primary focus of activity with the sale of liquor as ancillary. Staff recommends support for this application.

BACKGROUND**Site History**

The proposed location of this Liquor Primary License is the former Enterprise building constructed for Expo '86. In 2004, Council agreed to amend the CD-1 By-law governing this site to include "Casino - Class 2" as a permissible use.

The Applicant, Edgewater Casino ULC, is part of the Paragon Gaming group of companies. In conjunction with First Nations interests, Paragon developed and operated the Augustine Casino in Palm Springs from 2002 onwards and has just recently divested itself of that interest. In October of 2006, in conjunction with the Enoch Cree First Nations, Paragon opened the \$142 million River Cree Resort and Casino just west of Edmonton. Paragon currently has under development (projected to open in late 2007) the Eagle River Casino and Travel Plaza near Whitecourt, Alberta. In acquiring the Edgewater Casino ULC in Vancouver,

 Liquor Primary Liquor Licence

Paragon has invested in excess of \$50 million. The principals of Paragon, Diana Bennett, as CEO, and Scott Menke, as President, bring the extensive background and expertise of the Bennett family (Circus Circus Enterprises; The Sahara) and a strong knowledge of the Gaming and Entertainment industry to the management of the Paragon operations in Canada. Edgewater Casino ULC has been operating at this location in the former Enterprise Hall (Building C) at the Plaza of Nations since February, 2005. In 2005, Edgewater Casino ULC applied for and obtained Liquor Branch and Lottery Corporation approval for a Food Primary liquor licence for multiple areas inside the casino building excluding the gaming floor and three outdoor patio areas. These licensed areas include:

Splash Bistro	-	Capacity	145
Vue Bar	-	Capacity	40
Theatre	-	Capacity	423
Splash Bistro Patio	-	Capacity	163
Second Floor Terrace	-	Capacity	58
Plaza of Nations	-	Capacity	3,930

This application is for a Liquor Primary License that will cover all gaming areas, theatre, Splash Bistro, Vue Bar and the two patio areas adjacent to the casino building. These areas are currently licensed as Food Primary, which has been in place since Expo '86.

The Edgewater Casino ULC contains two separate gaming floors, licensed by the British Columbia Lottery Corporation (BCLC), on two levels connected by an escalator system and elevators. On the ground floor there is the main entry, guest service area, Splash Bistro, outdoor patio area, large gaming floor, and Vue Bar Restaurant. On the second floor there is a smaller gaming floor, a theatre facility and a small outdoor terrace. The theatre is operated in conjunction with the casino and will be used for corporate events, comedy, theatre events, and musical entertainment. Patrons must enter and exit through the casino.

The large 3,930 person capacity outdoor patio area in the Plaza of Nations currently licensed under the existing Food Primary liquor licence is not included in this proposal and the applicant will surrender the Food Primary liquor licence upon approval of this application.

Application

The applicant is requesting a council resolution endorsing their application for a Liquor Primary licence with two outdoor patio areas with hours of licensing between 9:00am to 2:00am, seven days a week. This approval would result in the cancellation of the existing Food Primary licence, which has hours of licensing from 9:00am to 12:00am. The applicant is seeking formal approval to allow patrons to remain in the establishment after the termination of liquor service at 2:00am which is in accordance with the current operation. The Liquor Control and Licensing Branch (LCLB) regulations require that this issue be formally addressed in the Council motion. The applicant has agreed to cancel the proposed Liquor Primary licence if the primary casino use of the establishment is cancelled or relocated.

Liquor Control and Licensing Branch (LCLB) Regulations and Policies

Branch regulations allow the licensing of casinos with a Liquor Primary licence and liquor service between the hours of 9:00am to 4:00am, seven days a week. All changes/ amendments to the liquor licence hours of service and capacity are subject to local government support.

British Columbia Lottery Corporation (BCLC)

Edgewater Casino ULC is licensed by the British Columbia Lottery Corporation (BCLC). The Lottery Corporation also allows for the licensing of casino floors and adjoining areas under a Liquor Primary licence provided that the applicant obtains approval from Lottery Corporation (BCLC), Liquor Branch (LCLB) and local government.

Regional Practices

At present, with the exception of Vancouver's gambling facilities, all casinos in the region allow for liquor to be available on gaming floors. This includes the casinos in Richmond, Burnaby, Coquitlam, New Westminster, Langley and the Fraser Downs Racetrack in Surrey.

Area Surrounding Premises

The subject site is located in the Comprehensive Development Zoning District for the Plaza of Nations or CD-1 (349) Plaza of Nations. The surrounding area is a commercial retail area. The site is located in the old Enterprise Hall portion of the BC Pavilion complex from Expo '86 and is bounded on the south side by False Creek and to the north by the Plaza of Nations, Pacific Boulevard and BC Place Stadium. The area to the west contains four residential towers currently under construction. The property to the east is the old Molson Indy track site and has not yet been developed (see Appendix A). The closest liquor establishments are Cyber Bar and Plush Nightclub both located in Building B of the Plaza of Nations, as well as BC Place Stadium and General Motors Place Stadium. There is also a Food Primary License in Building A at the Plaza of Nations for a restaurant called Azure Restaurant and Lounge.

RESULTS OF NOTIFICATION

A neighbourhood notification was conducted by circulating 1,000 notices in the survey area (see Appendix A). A site sign was erected advising the community of the application and where to send concerns or comments. Public response was minimal with one email expressing concern over noise and street problems associated with alcohol consumption and thereby opposing the application.

A public information meeting was held on March 14, 2007, which included the applicant and one attendee. This attendee was from outside the area and did not express support or opposition for this application.

DISCUSSION

The applicant is requesting hours of operation within the parameters of the Extended Hours permitted in the Downtown - Primarily Mixed Area. Maximum permitted extended hours for the area are 9:00am to 2:00am Sunday to Thursday, and 9:00am to 3:00am Friday and Saturday. The applicant has requested 9:00am to 2:00am, seven days per week.

There are significant community benefits with respect to job creation programs aimed at employing people who are from the Downtown Eastside community. In addition, there is a commitment to make the performance space (Plaza of Nations area) as well as the theatre available to community groups and local entertainers.

Under the Job Creation Agreement entered into by Edgewater Casino ULC when approval was given in 2004, one of the community benefits was a target of 10% hiring from Downtown Eastside. The Applicant continues to meet or exceed those targets. Since opening, 10.5% of all hiring has come from Designated Groups identified in consultation with the Director of Social Planning. The Applicant expects that approving this application will serve to create more employment at the Casino. The net effect will be an increase in the number hired from the Designated Groups as the Applicant will need to continue to meet the percentage target set under the Job Creation Agreement. This is independent from the continued contribution (\$200,000 annually) to the Social Responsibility Fund and the arrangements in place to collaborate with Community Gaming Management Association on the development of a new facility for CGMA and its participating charities.

There is no enforcement history related to the Edgewater Casino ULC and it is considered a well run facility with a very high level of on site security, sophisticated video surveillance system and monitoring system. There have not been any issues with the operation of the existing Food Primary License at the site. Edgewater Casino ULC is licensed by the Lottery Corporation and the primary focus of activity in the establishment is not the consumption of alcohol but rather the licensed gaming activity. Liquor service has been and will continue to be an additional amenity for the patrons and liquor volumes are relatively minor compared to non-liquor products such as coffee, water/pop and juice. The casino caters to an older clientele who attend for the gaming activities which is the focus of the business. The applicant has provided information that liquor sales are currently only 9% of total beverage sales with the largest being water, coffee and soft drinks (see Appendix B).

The main concern is the proximity to Plush Nightclub which has a capacity of 947 patrons. Plush has been a significant enforcement problem requiring extensive Police resources due to fights and violence often occurring on the Plaza area. The casino is also concerned about this nightclub and staff are working with Police to coordinate enforcement solutions. Police generally are not concerned with the liquor application at the casino but are concerned with the proximity to the large capacity nightclub.

Staff generally support this application for a Liquor Primary License with the above outlined conditions. The two key positive aspects of this application is that the liquor licence is tied to the use, that being a casino use only, and the commitment to end liquor service at 2:00am which is one hour prior to the closing of the nearby nightclubs.

The LCLB regulations require a premise to close within one hour of liquor service unless supported by local government. Staff also support a licence endorsement to allow casino patrons to remain in the establishment after 2:00am when the liquor service ends as the casino is currently open until 4:00am.

The Time-Limited Development Permit, Good Neighbour Agreement and closing of liquor service on the patio at 11:00pm will ensure there are no noise problems.

FINANCIAL IMPLICATIONS

There are no financial implications.

COMMENTS

The Police Department has reviewed the application and will not take a position on the request from Edgewater Casino for a Liquor Primary License, but there are certain considerations that should be looked into before the Liquor Primary License is approved.

The Edgewater Casino's request for a Liquor Primary License is not the same as the presently operating Casinos in other cities that have Liquor Primary Licence's. None of these Casino's have one of the largest cabaret/nightclubs in the province near them. The major concern is the location of the Casino in the Plaza of Nations in relation to Plush Night Club. Plush is a Liquor Primary Premise of approximately 1,000 seats and has had numerous fights, stabbings and gang related activity in and around the immediate area. This club has been a large drain on police resources over the last couple of years, its location is not suitable for a Liquor Primary Night Club of this size. There is also a smaller night club called Cyber beside Plush with approximately 200 seats, adding to the potential problems. If the Casino was not in this location or if Plush was closed or moved then we would probably not have a concern. The Casino already has a security operational plan in place and should be able to control its liquor service and patrons. The potential for problems in the area is the combination of intoxicated patrons from the Casino and Plush Night Club. We already have problems from the 1,000 seat night club and now we are going to add another 2,400 seats. It will only take a few more intoxicated people from the Casino to be added to the trouble makers from Plush to cause bigger problems. There are numerous scenarios that can lead to potential violent situations all caused by the increased access to alcohol, even with the best intentions of the Casino owners. The Casino cannot be considered in isolation from its surroundings and solutions should be found to the present problems we have at the Plaza of Nations before we add to them.

The Development Services Department has reviewed the application and notes that the Liquor Licence application is not simply to allow liquor primary on the casino floor but to convert the food primary licenced areas to liquor primary also. Arguably, the theatre and dining areas, along with their associated patio areas, would be classified as cabaret and club, based on the seating capacity indicated by the applicant.

There is a condition the current Development Permit on this facility that states "(A) Future consideration of Liquor Licence approval for liquor service in the gaming area requires a separate application, which would be reported to City Council".

With respect to noise issues, two outdoor areas are proposed. One is a smoking balcony on the second floor. The plans indicate this area is to be enclosed and it is unlikely there will be any noise concerns. However the second area appears to be at grade facing False Creek. This 221 person patio has direct 'line-of-site' access to future residential areas approximately 1200' across the water. Based on experience with across-the-water noise complaints related to the Granville Island Hotel, some consideration should be given to ensure there is noise control for this area.

Staff in Development Services will require further clarification on operational changes that might accompany the changes to liquor licences before concluding on whether Development Applications will be required.

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

The Social Planning Department has reviewed the application and does not oppose this application, provided that the casino operator can ensure that appropriate measures to minimize the potential negative effects of mixing alcohol consumption with gambling are put in place. Measures such as: appropriate training to casino employees on "Serving It Right" practices; ensuring that liquor not be provided as complimentary beverages; denial of liquor service and gambling privileges to patrons showing signs of intoxication; and other relevant responsible liquor service practices.

The Central Area Planning Department has reviewed the application and only supports the application if the Job Creation Agreement conditions are adhered to by the new operators of the casino for implementation of training and employment for those living in the DTES and other areas where residents would benefit from assistance entering the job market.

Comments to Satisfy LCLB Resolution Requirements:

Location: as noted previously.

Person capacity and hours of operation: as outlined above.

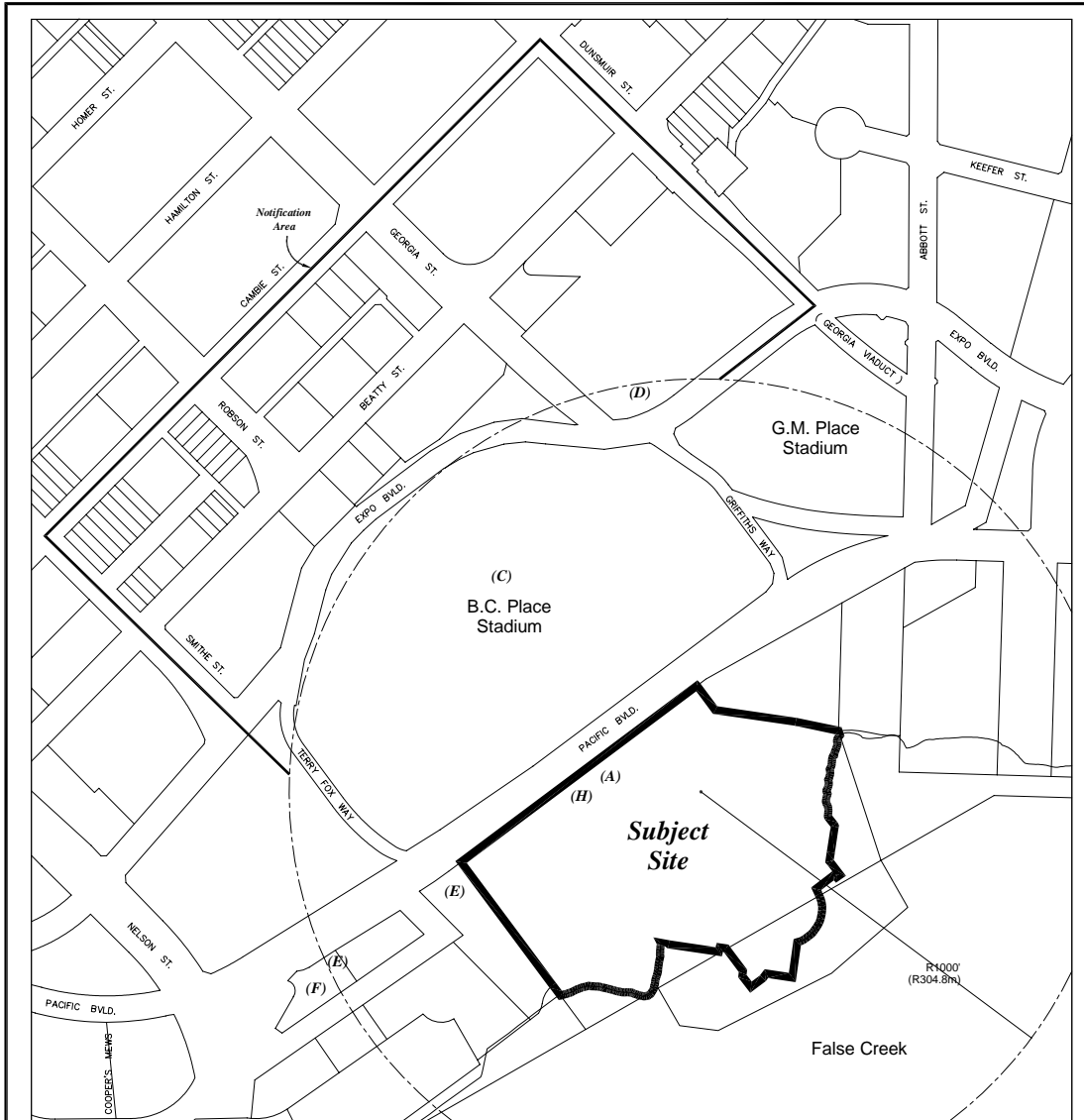
Market Analysis: The City of Vancouver has no authority to regulate an operator's clientele/target market. As a result, commenting or basing a decision on Market Analysis is an unproductive use of staff time.

Traffic, noise, parking and zoning: review, compliance and mitigation of these issues will be conducted during the Development Permit application process, provided Council supports the application and allows it to proceed to the permitting system.

CONCLUSION

Given the location, the nature of the establishment and the fact that liquor service is not the primary focus of the business, staff does not anticipate any negative impact from the operation of this Liquor Primary licence. The conditions noted in the recommendation will ensure the use is tied to the casino operation. Also of benefit is the surrendering of the existing Food Primary liquor licence, the commitment to job creation aimed at people who are from the DTES and the commitment to make the outdoor performance space and theatre available to community groups and local entertainers. Therefore staff recommends endorsement of this application.

* * * * *



LEGEND

- | | |
|---|--|
| (A) Cabarets, Pubs
- 770 Pacific Blvd. {Azure Lounge & Grill}
- 750 Pacific Blvd. {Plush}
- 750 Pacific Blvd. {Cyber Night Club} | (B) N/A |
| (C) Social Private Clubs
- 765 Pacific Blvd. {B.C. Place Stadium} | (D) Residential
- 651 Expo Blvd. {above Costco} |
| (E) Residential Developments
- 900 Cooperage Way - 33 Smithe St. | (F) Parks
- 900 Cooperage Way {Coopers Park} |
| (G) N/A | (H) Hospitals, Clinics
- 770 Pacific Blvd. {Alan McGauin Sports Medicine/Physiotherapy} |
| (J) N/A | |

LIQUOR PRIMARY (LIQUOR ESTABLISHMENT CLASS 6) 760 Pacific Boulevard {Edgewater Casino}	map: 1 of 1	↑
	City of Vancouver - Licenses & Inspections	
date: March 2007		

Avg. Monthly Percentage of Alcoholic Vs. Non-Alcoholic Beverage Units Served

