



ADMINISTRATIVE REPORT

Report Date: February 15, 2019
Contact: Kathryn Holm
Contact No.: 604.873.7545
RTS No.: 12963
VanRIMS No.: 08-2000-20
Meeting Date: March 13, 2019

TO: Standing Committee on City Finance and Services

FROM: Chief Licence Inspector

SUBJECT: 855 Granville Street – Cineplex Entertainment LP by its General Partner
Cineplex Entertainment Corporation (The Rec Room)
Two New Liquor Primary Licence Applications
Liquor Establishment Class 1 (third level rooftop) with outdoor patio and
Venue (lower level)

RECOMMENDATION

- A. THAT Council, having considered the opinion of local area residents and business operators as determined by neighbourhood notification, site sign, noise impacts and relevant Council policy as outlined in this Administrative Report, endorse the request by Cineplex Entertainment LP by its General Partner Cineplex Entertainment Corporation for a new 61 person with 314 person outdoor rooftop patio Provincial Liquor Primary licence on the third level of this new multi-level recreational/dining complex located at 855 Granville Street subject to:
- i. A maximum capacity of 61 persons inside and 314 persons on the outdoor patio;
 - ii. Standard hours of operation for the first three months limited to 11 am to 2 am, seven days a week after which time Extended Hours of operation may be considered which are limited to 9 am to 3 am, seven days a week;
 - iii. The outdoor patio ceasing all liquor service and vacated by 11 pm nightly;
 - iv. Acoustic report to be submitted certifying that the establishment meets Noise Control By-law requirements;
 - v. No music or entertainment permitted on the patio;
 - vi. Signing a Good Neighbour Agreement with the City prior to business licence issuance;
 - vii. A Time-Limited Development Permit;
 - viii. Food service to be available while the establishment is operating as well as on the patio when open; and
 - ix. The termination of Liquor Primary licence #301999 which is for Republic Nightclub (277 persons) in support of this application.

- B. THAT Council, having considered the opinion of local area residents and business operators as determined by neighbourhood notification, site sign, noise impacts and relevant Council policy as outlined in this Administrative Report, endorse the request by Cineplex Entertainment LP by its General Partner Cineplex Entertainment Corporation for a new 646 person Provincial Liquor Primary licence for an event driven venue located in the lower level of this multi-level recreational/dining complex/dining located at 855 Granville Street subject to:
- i. A maximum capacity of 646 persons;
 - ii. Liquor service is event driven and only permitted in conjunction with pre-booked events;
 - iii. Standard hours of operation for the first three months limited to 11 am to 2 am, seven days a week after which time Extended Hours of operation may be considered which are limited to 9 am to 3 am, seven days a week;
 - iv. Acoustic report to be submitted certifying that the establishment meets Noise Control By-law requirements;
 - v. Signing a Good Neighbour Agreement with the City prior to business licence issuance; and
 - vi. A Time-Limited Development Permit.

REPORT SUMMARY

Cineplex Entertainment LP by its General Partner Cineplex Entertainment Corporation (The Rec Room) is requesting a Council resolution endorsing the application for The Rec Room to operate two Liquor Primary licences in this multi-level recreational/dining complex which will consist of a third floor rooftop lounge (61 persons) and patio (314 persons) and a lower level event driven venue (646 persons) at 855 Granville Street (refer to Appendix A).

The proposed application will also include two restaurants operating with Provincial Food Primary licences on the main and second levels along with a variety of entertainment and game playing options including electronic gaming (video/arcade games, simulators, sports/interactive, virtual reality experiences and redemption games), as well as physical games such as billiards, shuffleboard, ping pong and bowling. The Liquor and Cannabis Regulation Branch regulations allows entertainment and games, such as those listed above, in Liquor Primary establishments. Alcohol is not permitted in games areas of Food Primary establishments.

Requested hours of operation are 9 am to 2 am, Sunday to Thursday and 9 am to 3 am, Friday and Saturday which meets the Extended Hours of liquor service policy for this Downtown Primarily Commercial area. The operator will be required to operate within Standard Hours of operations for the first three months which are limited to 11 am to 2 am, seven days a week; after which time Extended Hours of operation may be considered. Hours of liquor service for the patio are 11 am to 11 pm, seven days a week. The applicant is also applying for the Family Food Service endorsement to their Liquor Primary licences which will allow minors, accompanied by a parent or guardian, to enter in all licensed areas until 10 pm when food service is available for families.

Support for this application is subject to the applicant terminating the Liquor Primary liquor license #301999 which is Republic Nightclub located at 958 Granville Street, with

277 existing Liquor Primary seats. The applicant has entered into an agreement with the holder of this liquor primary license, Republic Enterprises Ltd. to cancel Liquor Primary liquor license #301999 and to close the facility concurrently with the issuance of a new Liquor Primary liquor license for The Rec Room located at 855 Granville Street. The applicant has requested a total of 375 liquor primary seats, and with 277 seats provided by the termination of the Republic Nightclub licence, the result is a net increase of 98 liquor primary seats in the GED. Staff support this application, given the desire to revitalize the Granville Entertainment District and attract new, diverse businesses that shift the nighttime landscape. In addition, the new event space serving as a live performance venue in the lower level will add to the diversity and vibrancy of the GED.

Staff support this application and consider it in alignment with Council's Granville Entertainment District moratorium policy where new Liquor Primary licences can be considered for live performance venues, seat relocations and opportunities to find creative solutions for net seat reductions in the GED.

In addition, a Time-Limited Development Permit will be required as well as a Good Neighbour Agreement to ensure the premise operates in a manner conducive to the surrounding area. An acoustic report is to be submitted and reviewed to ensure the operation of the business meets the Noise Control By-law.

Staff is recommending Council endorse the applicant's request for two Liquor Primary licences with the conditions as noted in the Recommendations.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

City role in liquor licence applications - The Liquor and Cannabis Regulation Branch of the Provincial Government (LCRB) has senior authority in approving liquor licence applications. Their regulations require local governments to provide a Council resolution on any liquor primary licence application unless the local government decides to opt out of the application review process. Overall, Council policy has been to provide comments on new applications, however staff will opt out if there is a conflict of interest situation due to a liquor licence application located on City property.

Approval process/requirements – Council policy requires new Liquor Primary licences to be subject to a Time-Limited Development Permit, a Good Neighbour Agreement, an acoustic report and public consultation.

Hours of Service Policy (May 16, 2006) for this Downtown Primarily Commercial area are:

- Standard hours of liquor service: 11 am to 2 am, seven days a week
- Extended hours of liquor service: 9 am to 3 am, seven days a week

Granville Entertainment District (GED) Moratorium (June 14, 2017) – Council amended the GED moratorium on conversion of food primary to liquor primary seats to include a moratorium on any additional liquor primary seats for Granville Street (West Georgia to Drake Streets) with limited exceptions for: live performance venues; seat relocations; and opportunities to find creative solutions for net seat reductions in the GED.

Size and Location of New Establishments (July 14, 2005) - Council Policy states that no Class 1 Liquor Primary establishment shall be located within 50 metres of another Class 1 establishment. This policy only pertains to liquor primary establishments and not food primary establishments (restaurants).

Live Performance Venues (February 3, 2011) – Council received an update on the Live Performance Venues Regulatory Review as outlined in the Administrative Report dated January 18, 2011, entitled “Cultural Services Regulatory Review for Live Performance Venues: Phase I” with the goal of increasing the number of Live Performance Venues in the City of Vancouver.

Enhance Patio Culture (June 14, 2017) - Council approved policy and guidelines removing a twenty percent limit on Liquor Primary patio seats, if a Good Neighbour Agreement is signed, a neighbourhood liquor seat limitations can be met, and community impacts (e.g. noises) are managed.

Council also adopted policy (May 2, 2018) to allow patios at liquor establishments in the Granville Entertainment District on a case by case basis following standard City process including public notification for community input, consideration of neighbourhood fit, and review of the application by the Vancouver Police Department.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

REPORT

Background/Context

Cineplex Entertainment LP is a Canadian entertainment company that operates movie theatres and other multimedia related businesses across Canada. The Rec Room is a new entertainment concept which includes a variety of dining options and an entertainment/gaming facility operating under one roof, and has locations in Alberta (Calgary, Edmonton) and Ontario (London, Toronto). They recently received approval to open a Rec Room in Burnaby, which is anticipated to open sometime in 2019. These venues offer restaurant dining along with a variety of entertainment and electronic game playing options.

The applicant is requesting a Council resolution endorsing the application to operate two Liquor Primary licensed areas in this four level recreational/dining complex which will consist of a third floor rooftop lounge (61 persons) and patio (314 persons) and a lower level event driven Venue (646 persons) at 855 Granville Street. The proposed application will also include two restaurants operating with Food Primary licences on the main and second levels along with a variety of entertainment and game playing options including electronic gaming (video/arcade games, simulators, sports/interactive, virtual reality experiences and redemption games), as well as physical games such as billiards, shuffleboard, ping pong, and bowling. The proposed hours of operation for the two licences are 9 am to 2 am, Sunday to Thursday and 9 am to 3 am, Friday and Saturday which meets the City's Extended Hours of liquor service policy for the Downtown Primarily Commercial area. The operator will be required to operate within Standard

Hours of operations for the first three months after which time Extended Hours of operation may be considered. The applicant is also applying for the Family Food Service endorsement to their Provincial licences which will allow minors accompanied by a parent or guardian, to enter in all licensed areas until 10 pm when food service is available for families. The patio on the third level will be vacated by 11 pm nightly.

The proposed rooftop will include an indoor lounge and an outdoor rooftop patio offering an extensive food menu and a separate physical games area. The lower level venue will serve as a multi-purpose auditorium with a stage and will operate in conjunction with pre-booked public and private live entertainment events (musical acts/bands, fashion, cabaret, cirque, and magic shows and comedy acts), screenings for entertainment programming and sporting events, meetings and corporate events and will only be open during such pre-booked events.

Both Liquor Primary licences will also be applying to the Province for the Family Food Service endorsement to their licences which will allow minors, accompanied by a parent or guardian, to enter in all licensed areas until 10 pm when food service is available for families.

Strategic Analysis

Staff support the proposed application based on the following analysis.

Council Policy

Council policy on the Granville Entertainment District supports a vision for downtown Granville Street as a vibrant shopping, restaurant and entertainment district that attracts a diversity of patrons. In support of this vision and to encourage diversification of venue types and entertainment options, Council reaffirmed (June 14, 2017) the moratorium on new Liquor Primary licensed establishments and seats in the GED. Limited exceptions to the moratorium are allowed for: live performance venues; seat relocations; and opportunities to find creative solutions for net seat reductions. Further, on May 2, 2018 Council adopted a policy to allow patios at GED liquor establishments.

Staff's assessment is that the Liquor Primary licences at the proposed establishment support Council policy on the GED, the intent of which is diversification of offerings for the public, including performance based venues and family oriented options. The applicant has requested a total of 375 liquor primary seats, and with 277 seats provided by the termination of the Republic Nightclub licence, the result is a net increase of 98 liquor primary seats in the GED. Staff support this application, given the desire to revitalize the Granville Entertainment District and attract new, diverse businesses that shift the nighttime landscape. This establishment will provide family dining and entertainment options in the GED, attracting a broader range of clientele to the area, through day and night. Thus, although there is a net increase in seats, this proposal meets the criteria of relocating 277 seats from within the GED area.

In addition, the new event space in the lower level will serve as a special event and live performance venue, and add to the diversity and vibrancy of the GED. Staff believe the expected benefits of adding this establishment to the GED are sufficient to support the addition of 98 net new liquor seats.

On February 3, 2011, Council received for information an update on the Live Performance Venues Regulatory Review. This application aligns with Council direction to increase the number of live performance venues.

Results of Neighbourhood Notification

A neighbourhood notification advising of the Liquor Primary application was conducted by circulating approximately 2137 notices in the survey area (refer to Appendix B). Two site signs were erected advising the community of the application and where to send concerns or comments. Staff allowed three weeks for the community to respond with concerns or support for the application.

In response to the neighbourhood notification, a total of twelve comments were received; nine in support and three in opposition. Respondents opposed to the application expressed concerns regarding increased noise and the potential for nuisances if the facility were to eventually operate with Extended Hours.

Two businesses that operate with Food Primary licences in the GED expressed interest in operating similarly to the application but are restricted due to the GED moratorium regarding new Liquor Primary licences as well as Provincial regulations limiting liquor consumption and games in Food Primary establishments. The respondents were advised of the policy requirements and limited exceptions could be made for applications for live performance venues, relocating seats, or creatively finding ways to reduce the net number of seats. It was also noted that the area already has an abundance of performance venues that service the area and that the proposed venue in the lower level is too large.

A letter of support was also received from the President and CEO of the Downtown Vancouver Business Improvement Association (refer to Appendix C)

Location of Establishment

The subject site is located in DD (Downtown District) zoning district and for the purposes of liquor policy, it is considered to be located in the Downtown Primarily Commercial area. The surrounding area is a mixture of commercial, retail, office, hotel, cultural, residential and restaurant uses.

Proximity to other Liquor Primary Establishments

Within a 750' (229 metre) radius of the subject site, there are a total of fifteen Liquor Primary licenced establishments. There are no other Class 1 Liquor Establishments within a 50 metres radius of the proposed site and therefore it meets City Liquor Policy distancing requirements for liquor primary size and location (refer to Appendix B). Council policy states that no Class 1 Liquor Primary establishment shall be located within 50 metres of another Class 1 establishment. Council policy only applies to interior licensed seats (61 seats for this application).

Person Capacity and Hours of Operation

The proposed capacities for the two Liquor Primary licences at this location are as follows:

- Third floor rooftop lounge and patio – 61 persons with 314 person patio
- Lower basement event driven venue – 646 persons

The Building and Fire Departments are generally in agreement with the proposed occupant loads. Final occupancy calculations will be provided in accordance with Building and Fire Codes once Building Permits have been finalized. Final occupant load calculation will not increase beyond what Council approves.

The hours of operation requested for the Liquor Primary licences are 9 am to 2 am, Sunday to Thursday and 9 am to 3 am, Friday and Saturday which are within the parameters of the Extended Hours permitted in the Downtown Primary – Commercial use area. The operator will be required to operate within Standard Hours of operations for the first three months which are limited to 11 am to 2 am, seven days a week; after that time the Extended Hours of operation may be considered. The proposed patio must cease all liquor service and vacate by 11 pm nightly. No music or entertainment will be permitted on the patio and food and beverage service will be provided.

Noise

Staff have considered the impact for noise on the community and have no concerns at this time. An acoustical report certifying that the establishment meets Noise Control By-law requirements will be required and should mitigate potential negative community impacts due to noise. It is also a condition of the licence and will support compliance and enforcement efforts if necessary.

Impact on the Community

A Time-Limited Development Permit will be required for both Liquor Primary licences which will provide ongoing reviews to ensure the land/use and business remains compatible with the surrounding community. The permit review process will involve an assessment of neighbourhood impacts, including compatibility with surrounding uses, hours of operation, social and policing impacts and noise control. A separate time-limited Development Permit will be required for the third level patio. In addition, the Good Neighbour Agreement will set out City expectations that the business needs to be responsive in dealing with any issues and are responsible for creating a positive relationship with the community.

The Vancouver Police Department has reviewed the application and have no concerns with the application.

The applicant is strongly encouraged to sign a Restaurant Watch/Bar Watch agreement similar to other Food Primary and Liquor Primary establishments in the GED.

Implications/Related Issues/Risk (if applicable)

Financial

There are no financial implications.

CONCLUSION

Staff recommend Council endorse the applicant's request to operate two Liquor Primary licensed areas in this new multi-level recreational/dining complex subject to the conditions outlined in this report. The application meets current Council policy regarding size and distance from other establishments, Council's Granville Entertainment District moratorium policy and Council policy regarding live performance venues. The requirement for a time-limited Development Permit and Good Neighbour Agreement and submission of an acoustical report will ensure the premise operates in a manner conducive to the surrounding area.

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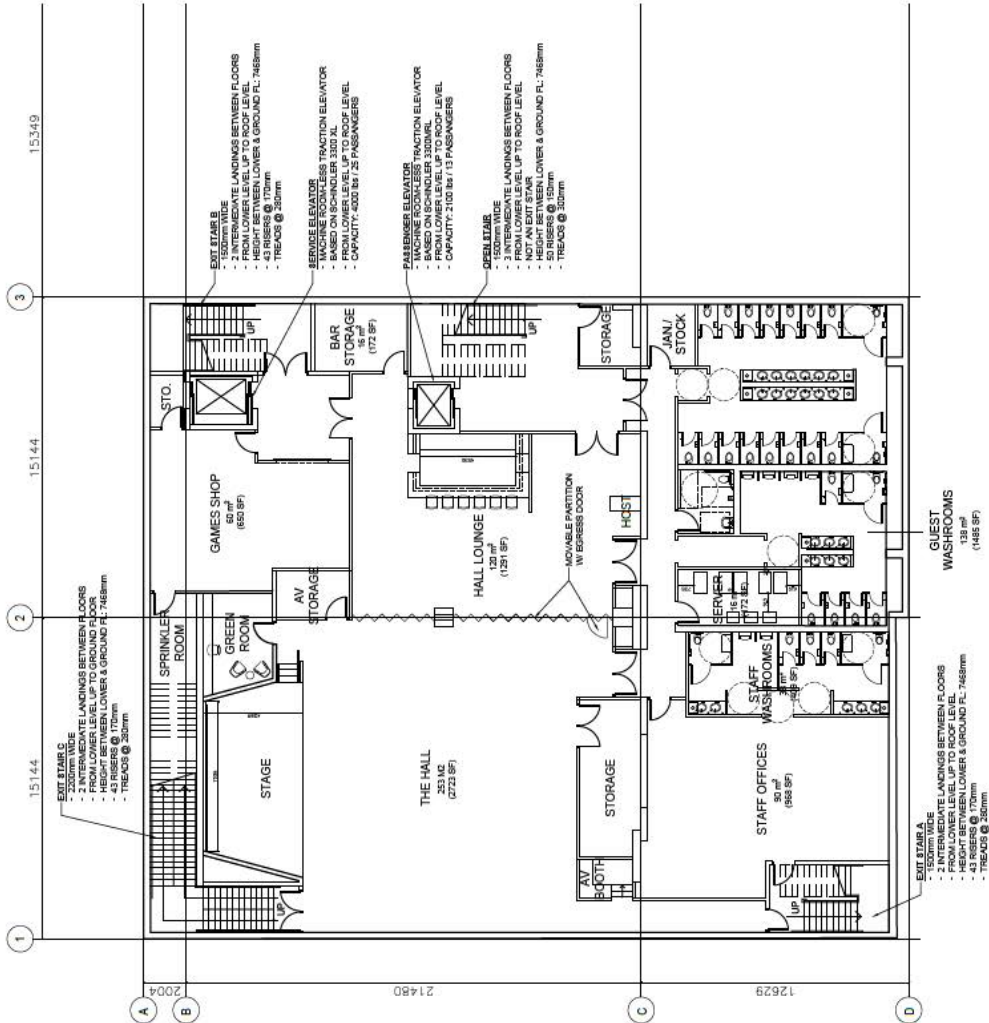


THE REC ROOM
GRANVILLE
VANCOUVER, BC

LOWER LEVEL PLAN
OPTION 2 - REV. 3

OVERALL OCCUPIED AREA: 62,441 SF
LOWER LEVEL FLOOR: 11,668 SF

SEPTEMBER 19, 2018
Scale 1:250



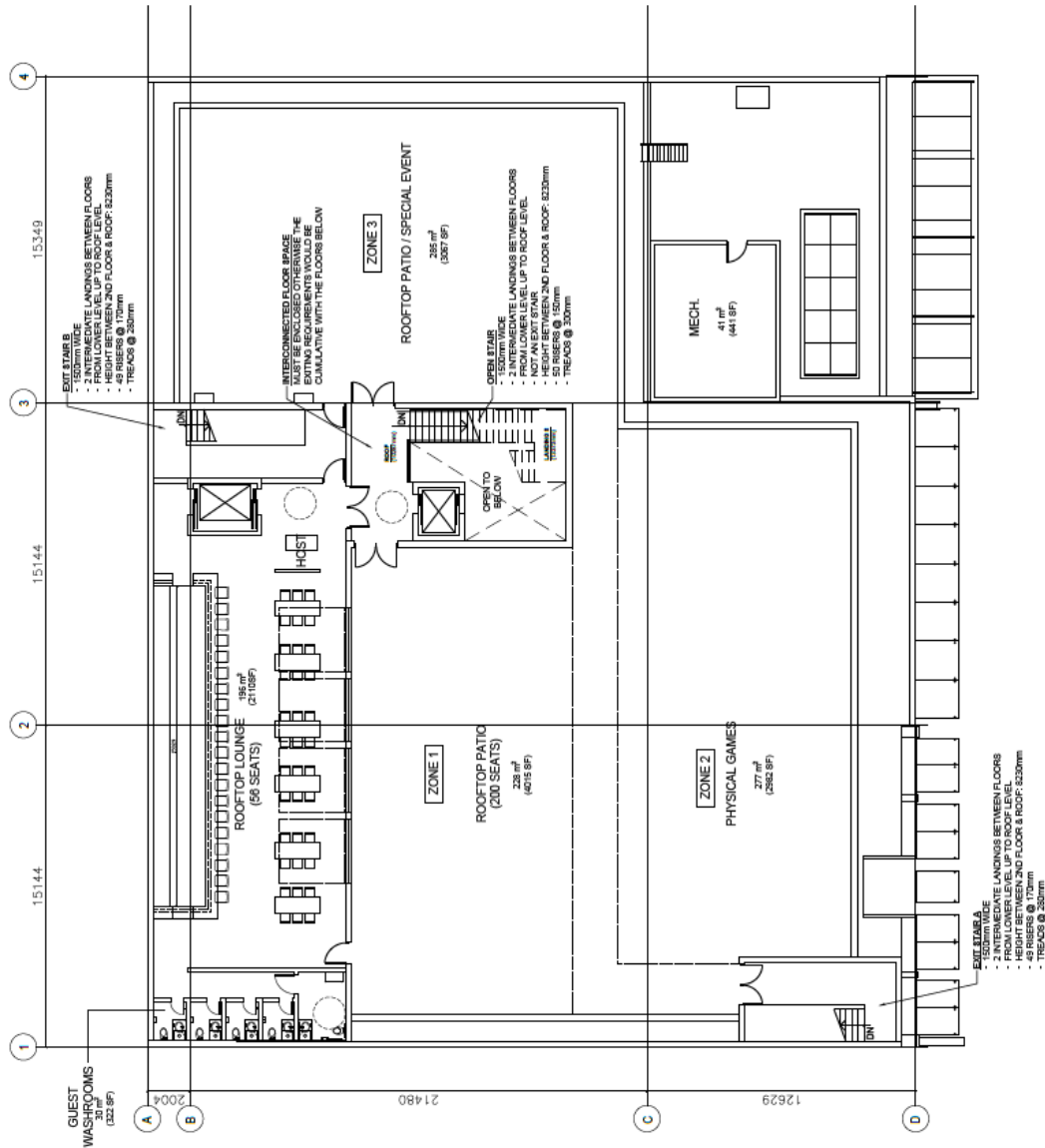
THE REC ROOM
GRANVILLE
VANCOUVER, BC

LEVEL 3 PLAN

OPTION 2 - REV. 3

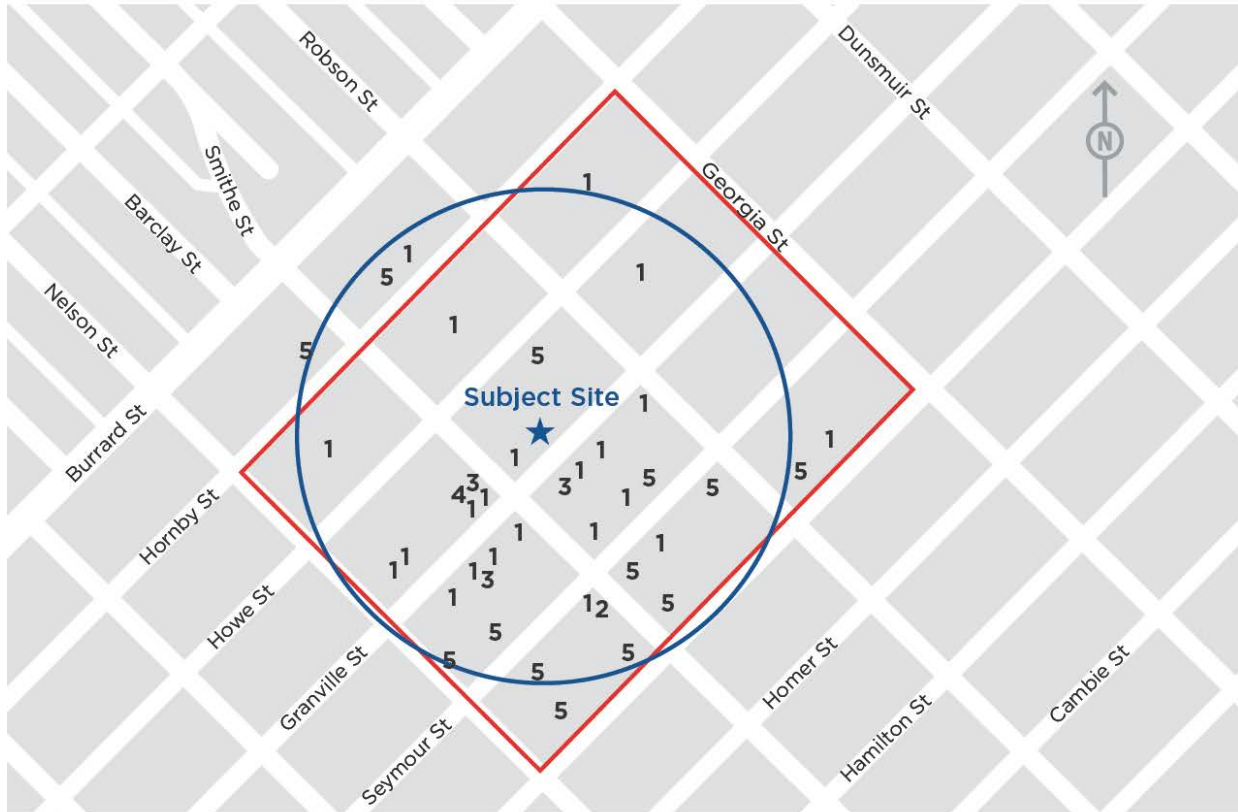
OVERALL OCCUPIED AREA: 62,441 SF
ROOF: 16,393 SF

SEPTEMBER 19, 2018
Scale 1:250



Liquor Primary (Liquor Establishment Class 1 and Venue)

855 Granville Street - The Rec Room



LEGEND

- 1 Liquor Primary Establishments/ Venues**
 {Bottleneck Bar & Grill}, {Caprice Nightclub}, {Cinema Public House}, {Commodore Ballroom},
 {Dublin Calling}, {Hollywood North Cabaret}, {Kingston Taphouse & Grille}, {Law Courts Inn},
 {Nordstrom - Habitat}, {Orpheum Annex}, {Orpheum Concert Hall}, {Red Card Sports Bar},
 {Republic}, {Roxy Cabaret}, {Studio}, {The Granville Room}, {The Lennox Pub}, {Uva Wine Bar},
 {Venue}, {Vogue Theatre}, {Wedgewood Hotel}
- 2 Liquor Store** - {Viti Wine & Lagers}
- 3 Single Room Accommodation**
- 4 Non-Market Housing**
- 5 Residential Buildings**
- 6 Parks** - {n/a}
- 7 Schools** - {n/a}

— 750ft radius from Subject Site

— Notification Area

September 4, 2018
Ms. Kaye Krishna
General Manager,
Development, Buildings & Licensing
City of Vancouver
Email: kaye.krishna@vancouver.ca
453 West 12th Ave
Vancouver, BC
V5Y 1V4



RE: Support for Cineplex Entertainment - The Rec Room, 855 Granville Street

The Downtown Vancouver Business Improvement Association (DVBIA) strongly supports the application by Cineplex Entertainment for the proposed Rec Room to be located at 855 Granville Street.

This project has the potential to dramatically revitalize a historic block at the centre of downtown Vancouver. The project site is near the intersection of Robson and Granville streets, two of the city's most important commercial corridors.

The Rec Room will incorporate live entertainment, games, and restaurants under one roof. This will be a welcome addition to Vancouver's Entertainment District and it will provide a fun alternative to the existing bars and clubs in the area.

Location: The 800 block of Granville Street is the northern gateway to the entertainment district. It is the access point to Granville Street for shoppers from Robson Street and Pacific Centre, as well as for people entering downtown via the Skytrain. This block plays a key role in attracting pedestrians to explore Granville Street, and therefore it must appear lively and vibrant. The Rec Room will be a pillar for this block as the occupant of the largest frontage space.

Unique offering: The Rec Room is a multi-purpose concept unlike anything else in downtown Vancouver. Event spaces, dining, games, and live entertainment are central to the development. These features will complement and enhance the existing context of Granville Street.

Public demand: The DVBIA has gathered public input about Granville Street. According to our surveys, Vancouverites wish to see more places to go to during the day. The Rec Room will be open 11:00am to 1:00am seven days a week. The venue will be welcoming to families and will attract a more diverse demographic

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QuadReal Property Group

PRESIDENT AND CEO:

Charles Gauthier
Downtown Vancouver BIA

than the late-night party crowd that is typically associated with Granville Street.

In a 2017 DVBI public survey, the top wish for Granville Street was more rooftop and patio bars (244 of 496 total respondents). The second most popular result called for more live music venues, with 182 responses. The Rec Room will meet both of these demands, which is promising for the future success and popularity of this project.

Economic impact: The Rec Room will employ 20-40 Full-Time Managers and 175-250 Staff. It is projected to have an annual attendance of up to 400,000 people, and several million dollars in annual sales.

Liquor Licensing: Cineplex Entertainment have agreed to pay existing nightclub Liquor Primary Licence holders a significant amount of money to concede their licenses in order to achieve licensing of the Rec Room. This action will help achieve the City's goal of diversifying the street-level mix of Granville Street.

The public is ready for something new, safe, and inclusive on Granville Street. Cineplex has a strong track record in Vancouver and across Canada, and the DVBI is confident that their vision for 855 Granville Street will bring life and vibrancy back to this site and affect the positive change the City and the DVBI desire in the Granville Entertainment District.

Sincerely,



Charles Gauthier, MCP
President and CEO

Cc: Sarah Hicks, Deputy Chief Licence Inspector
Kelly Anderson - Manager, Building Review Branch
Michael Gordon - Planning Department
Alex Clarke, Vancouver Police Department