

## NOTICE OF MOTION

### **Liquor Licence Application – Increase in Licensed Capacity/Transfer of Licensee Reign Lounge - formerly Budo Liquid Theatre– 137 Peter Street**

**Moved By: Councillor Vaughan**

#### **SUMMARY:**

1677378 Ontario Inc. is the corporate licensee of an establishment located at 137 Peter Street (the “Establishment”) operating under the name Reign Lounge (“Reign”), previously operating under the name Budo Liquid Theatre (“Budo”). In early 2008 1677378 Ontario Inc. sold the Establishment to a new owner, Vesna Kolenc. Applications have been submitted to the Alcohol and Gaming Commission of Ontario (“AGCO”) to transfer the licence to a new licensee, Ms. Kolenc, and to increase the indoor capacity on the second floor of Reign from 91 patrons to 165, and to increase the outdoor capacity on the roof-top patio from 80 to 116. The first floor of Reign is currently licensed for 195 patrons.

The Establishment has been operating as a nightclub for a several years and there is a history of *Liquor Licence Act* violations for the three separate licensees that have operated the Establishment. These violations have resulted in several suspensions of the liquor licence. In 1995 and 1996 a previous licensee operating the California Dream Restaurant & Nightclub at the Establishment was issued two suspensions by the AGCO for 3 days each for exceeding the capacity of the licence. Between 2001 and 2005 the licensee operating the Establishment under the names Society Café and Budo Liquid Theatre was issued 4 separate suspensions for exceeding the capacity of the licence. The suspensions ranged from 5 to 40 days. The AGCO in a decision dated December 12, 2005 decided to suspend the licence for 40 days rather than ordering a full revocation because the licence was to be transferred to a new licensee. The AGCO stated that “there is no further risk to public safety as the business would be operated by completely new management if a suspension is issued and the business is sold”.

The current licensee operated the Establishment from 2006 until the sale earlier this year, and on June 13, 2006 the licence was suspended for 17 days for violations of the *Liquor Licence Act* that included permitting an intoxicated person in the premises, failure to clear the signs of the service and consumption of alcohol, and serving patrons under the age of 19. Furthermore, there are pending charges for further violations of the *Liquor Licence Act* that include exceeding the capacity of the licence and carrying on the business without contracting out the licence. The latter charge is a result of the new owner of the Establishment using the liquor licence without a transfer or contract in place to operate under the licence issued to the previous owner.

The new owner of Reign is currently being prosecuted by the City on two counts for operating without a business licence. The first charge was laid on May 16, 2008, and as a result of the new owner continuing to operate without a business licence after being charged, a further charge were laid on June 21, 2008. A business licence was eventually issued in September, 2008, however the two charges are still before the courts. The Establishment has also been the subject of at least one noise complaint by an area resident in May of 2007, but no charges were laid.

Reign is located in the City's entertainment district among a large concentration of night clubs, and the local Councillor and area residents are concerned that an increase in capacity for both the indoor and outdoor area for an Establishment that has a history of problems for several licensees can only lead to an increase in problems in the future. Reign is located near residential buildings and is immediately adjacent to and shares a property line with the City's Housing Assessment and Referral Centre that is currently under construction at 129 Peter Street. These are sensitive uses that will be impacted by the proposed increase in capacity of Reign.

The past and present conduct of the owners, the occupants and patrons of Reign affords reasonable grounds to believe that the increase in both indoor and outdoor capacity of the liquor licence for the premises at 137 Peter Street is not in the public interest having regard to the needs and wishes of the municipality in which the premises are located. Problems of overcrowding and other violations of the *Liquor Licence Act* and City by-law violations have been persistent through three separate licensees at this Establishment and it is reasonable to assume that problems will be worsened by an increase in capacity no matter who the licensee is. The new owner upon purchasing the Establishment failed to obtain a business licence or a contract to operate the liquor licence of the previous licensee prior to operating the business. This conduct of ignoring the laws and regulations of the Province and the City provides further evidence that an increase in capacity for Reign is not in the public interest.

#### **RECOMMENDATIONS:**

1. City Council direct the City Clerk to advise the Registrar of the AGCO that an increase in the indoor and outdoor capacity of the liquor licence for Reign Lounge (formerly Budo Liquid Theatre), 137 Peter Street, is not in the public interest having regard to the needs and wishes of the residents, and that the Registrar should issue a Proposal to Review the application to increase capacity.
2. City Council requests the AGCO to provide the City to Toronto with an opportunity to participate in any proceedings with respect to Reign Lounge (formerly Budo Liquid Theatre).
3. City Council authorize the City Solicitor to attend all proceedings before the AGCO in this matter and direct the City Solicitor to take all necessary actions so as to give effect to this Motion.