



STAFF REPORT ACTION REQUIRED

Amending Liquor Licence Application Objection Criteria

Date:	August 18, 2014
To:	Licensing and Standards Committee
From:	Executive Director, Municipal Licensing and Standards
Wards:	All
Reference Number:	P:\2014\Cluster B\MLS\LS14019

SUMMARY

In April 2014, City Council directed the City Clerk to declare a liquor licence application not in the public interest unless the applicant provided an enforceable undertaking that they would complete the Centre for Addiction and Mental Health (CAMH) Safer Bars program and provided a letter of support from the local MPP.

This decision was made in response to a staff report from Legal Services outlining a communication received from the Alcohol and Gaming Commission of Ontario (AGCO). This communication indicated, in part, that the AGCO would no longer accept or enforce conditions on liquor licensed establishments that were beyond the regulatory mandate of the AGCO.

Many discussions over the past few months, culminated in a meeting which was convened on July 31, 2014, that brought together City Councillors, MPPs, City staff, and staff from the AGCO. It provided an opportunity to discuss concerns with the current challenges facing the city, the impact to business that these application criteria were having, the challenges they met in complying, and the positive progress and actions that had been undertaken.

On August 11, 2014, the Executive Director of Municipal Licensing and Standards (ML&S) received a correspondence from the AGCO, which indicated that existing conditions on liquor licences will remain in force until the City has developed a long-term strategy to address the issues surrounding restaurants, bars and entertainment establishments with liquor licences.

ML&S is in the process of establishing the *"Municipal Interest in Liquor Licensing Steering Committee,"* which will lead a number of working groups to review and identify process, policy and/or by-law improvements related to the regulation of liquor licensed establishments. The Steering Committee and work groups will include key stakeholders

such as enforcement agencies, interested Councillors, businesses and resident groups. The correspondence from the AGCO also reaffirmed their ongoing commitment to continue the ongoing collaboration and participation in the Steering Committee and work groups currently under development.

In light of this recent communication, and in support of enabling lawful business operators, this report recommends the reconsideration by City Council of the need to require liquor licence applicants to complete the Safer Bars program and to obtain a letter of support from the local provincial representative.

RECOMMENDATIONS

The Executive Director, Municipal Licensing and Standards, recommends that:

1. City Council rescind its direction to the City Clerk under part 5 of item CC50.7 headed "Conditions Attached to Liquor Licences":

Direction to be rescinded:

5. City Council direct the City Clerk to declare that each liquor licence application is not in the public interest unless the applicant has filed with the City Clerk:
 - a. an enforceable undertaking that the applicant or all managers of the premises will take the Centre for Addiction and Mental Health Safer Bars program within 12 months of the issuance of the liquor licence; and
 - b. a letter from the local MPP supporting the application for the liquor licence at the premises.
2. City Council authorize the City Clerk to withdraw the City's objections to liquor licence applications made under the general direction above.
3. City Council rescind the confidential instructions issued to staff in closed session and confirmed in part 9 of item CC50.7.

Financial Impact

There is no financial impact expected from this report beyond what has already been approved in the current year's budget.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting of June 26, 2014, Licensing and Standards Committee received the report headed "Municipal Enforcement of Establishments with Liquor Sales Licences" from the

Executive Director, Municipal Licensing and Standards and requested a report back on the status of the restaurant working group.

<http://www.toronto.ca/legdocs/mmis/2014/ls/bgrd/backgroundfile-70537.pdf>

At its meeting of April 1, 2 and 3, 2014, City Council placed additional criteria on liquor licence applications and requested the Executive Director, Municipal Licensing and Standards to review the AGCO's approach to liquor licence conditions and report back to Licensing and Standards Committee with options to deal with issues arising from licensed premises and to continue advancing joint enforcement partnerships and information sharing.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.CC50.7>

ISSUE BACKGROUND

Restaurants, bars, and night clubs that sell alcohol require a liquor sales licence from the Alcohol and Gaming Commission of Ontario (AGCO) and a business licence from the City of Toronto. Although these venues contribute to the cultural and economic development of the city, some can have a negative impact on surrounding communities because of issues related to noise, litter and public safety.

The AGCO is responsible for the regulation of alcohol sales in the Province of Ontario, including licensing. For a number of years, the City of Toronto has objected to numerous liquor licence applications in order to have conditions attached to individual licences. This was usually done with the consent of the owners and the approval of the AGCO. Typical conditions dealt with issues such as noise, security, lighting, litter and patio regulations.

In March 2014, the AGCO advised the City that it will no longer approve conditions that do not directly relate to the AGCO mandate, which is to administer and enforce the Liquor Licence Act and its regulations.

In April 2014, City Council directed City Clerks to declare a liquor licence application not in the public interest unless the applicant completes the Centre for Addiction and Mental Health (CAMH) Safer Bars program and obtains a letter of support from the local MPP. The resolution was in response to the communication from the AGCO and the ongoing challenges with problem establishments that have liquor licences.

COMMENTS

Since Council's decision in April, additional dialogue with the AGCO and other stakeholders such as the Toronto Police Service has generated new information and opportunities for collaboration that address some of the concerns related to the rationale behind City Council imposing the municipal clearance criteria.

The Province's Integrity Commissioner has counselled local MPPs not to provide letters of support to applicants. Furthermore, the CAMH Safer Bars program has not been available due to lack of demand, and challenge in scalability to small operators. These challenges have left many establishments such as restaurants facing months-long delays

in obtaining a liquor licence due to the City objection and the lengthy appeal process to the Liquor Appeal Tribunal.

Stakeholders, including the Ontario Restaurant Hotel and Motel Association, have also communicated that Council's resolution has caused significant financial hardship to many liquor licence applicants.

Throughout this time, Municipal Licensing and Standards has been working with the AGCO and the Toronto Police Service to expand opportunities for joint enforcement activities related to problematic establishments with liquor licences. The agencies are sharing relevant information and coordinating enforcement responses to fulfill their respective mandates and to ensure the effective use of resources.

In response to a direction by City Council in December, 2013, ML&S is in the process of establishing a "*Municipal Interest in Liquor Licensing Steering Committee*". This committee will oversee a number of working groups and subgroups, which will bring residents, businesses and regulatory authorities together to review and identify process, policy and/or by-law enhancements to help restaurants, bars and entertainment establishments with liquor licences achieve better compliance with City by-laws.

In the correspondence from August 11, 2014 (Attachment 1), the AGCO has clarified to the Executive Director, ML&S that existing conditions on liquor licences remain in force until a long-term strategy to address the issues surrounding liquor licensed establishments has been developed. The AGCO also reiterated its' commitment to working closely with ML&S and the Toronto Police Service in order to enhance public safety and increase compliance with all laws and regulations.

It is felt that this approach will provide a sustainable and effective solution to address municipal interests and issues as they relate to businesses with liquor licences, and as such, staff recommends the elimination of the two previously imposed application criteria.

CONTACT

Carleton Grant, Director, Policy & Strategic Support, Municipal Licensing and Standards
Tel: (416) 338-5576, Email: cgrant@toronto.ca

SIGNATURE

Tracey Cook, Executive Director
Municipal Licensing and Standards

ATTACHMENT 1

Attachment 1: Letter from the Alcohol & Gaming Commission of Ontario (August 11, 2014)