

## **Recommended Amendments to Chapter 545, Licensing for Bars, Restaurants, and Entertainment Venues as part of the Night Economy Review**

**Date:** November 14, 2023

**To:** Economic and Community Development Committee

**From:** Executive Director, Municipal Licensing and Standards

**Wards:** All

### **SUMMARY**

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Toronto Municipal Code, Chapter 545, Licensing (the Licensing By-law) requires a variety of businesses to obtain a licence from the City and comply with its regulations, the purpose of which is, among other things, to ensure public health and safety, consumer protection, and nuisance control.

The City's licensing regulations for food and entertainment establishments have not been updated in some time and changing business models have blurred the lines between what is commonly taken to be a restaurant, bar, or entertainment venue. This report recommends amendments to Chapter 545 to modernize regulations for bars, restaurants, and entertainment venues as part of the City's Inter-divisional Night Economy Review, with the aims of reducing administrative burden on low-impact operators and providing flexibility for establishments, while ensuring an appropriate level of regulatory oversight to mitigate community nuisance and public safety concerns.

This report responds to several outstanding directives from City Council related to modernizing business licensing and reducing regulatory burden on businesses, supporting public health and safety, addressing problematic establishments serving alcohol, and supporting Toronto's night economy and live music venues. Further, it responds directly to recommendations from a 2017 Toronto Auditor General report ([2017.AU10.4](#)) to resolve issues of regulatory uncertainty within the nightclub licence category and fulfills direction from the Executive Committee in 2021 ([2021.EX28.15](#)) to consult with relevant stakeholders and propose updated licensing regulations for relevant establishments.

MLS has worked collaboratively with City Planning (CP) and Economic Development and Culture (EDC) on an Inter-divisional Night Economy Review to enhance the City's work in supporting a healthy night economy, which included broad public and stakeholder consultations. CP and EDC have distinct but coordinated reports scheduled for discussion at Committee and Council alongside this report. MLS and CP staff have worked closely to align proposed licensing and zoning amendments, as Chapter 545

functions complementary to zoning bylaws and licensing and zoning issues are highly interconnected.

To improve and modernize regulations for food and entertainment establishments, this report recommends updating licence definitions for relevant business categories, so they are clear, enforceable, and better reflect current nightlife in Toronto as well as updating associated licence requirements, including:

- Amending the eating or drinking establishment category to align more closely with the City's zoning bylaws, removing outdated language, and creating clear parameters for businesses that are serving food or drink on-site (i.e., a restaurant or bar).
- Creating a new category for retail and food and drink establishments that are exclusively take-out or those that primarily sell pre-packaged food or drink items, with minimal licensing requirements to reduce burden on low impact operators.
- Modifying the definition and licence requirements for entertainment establishments/nightclubs to focus on the purpose of the establishment, fill regulatory gaps, and strengthen enforcement (particularly as it relates to security requirements).
- Introducing a new entertainment places of assembly category to capture existing public halls, live music performance venues, and rental spaces for entertainment to set out clear requirements and thresholds for compliance.
- Streamlining amusement-related businesses (arcades, billiard halls, trampoline centres, bowling alleys, etc.) into a broad amusement establishment category.

Additional actions are recommended to proactively respond to nuisance and safety issues, in order to focus staff time on operators that are likely to require more dedicated City resources, and support multi-use licensing, including:

- Introducing noise control and patron management plans for specific establishments to support the proactive mitigation of safety and nuisance issues and providing the Executive Director of MLS with the authority to require a plan from an establishment.
- Implementing an activity-based licensing (ABL) framework based on the complexity of business activities for the eating or drinking establishment and entertainment place of assembly categories.
- To ensure an efficient enforcement response to nightclubs, it is proposed that if an establishment meets the updated entertainment establishment/nightclub definition as well as a separate licence category, they are required to apply for and renew a separate nightclub licence.

This report also outlines MLS' enforcement approach for problematic establishments, including licensed restaurants operating as unlicensed nightclubs; outlines how strategies will change with an updated framework; identifies how the updated framework aligns with the priorities of the City's SafeTO: Community Safety and Well-being Plan; and provides an assessment of a Council directive related to pop-up business licensing.

It is recommended that proposed bylaw amendments come into force on January 1, 2025, to provide sufficient time to implement necessary updates to licensing systems and to ensure sufficient notice is provided to operators.

This report was prepared in consultation with City Planning, Economic Development and Culture, Toronto Building, Toronto Fire Services, Toronto Paramedic Services, Toronto Police Service, Toronto Public Health, Transportation Services, Toronto Transit Commission and the Alcohol and Gaming Commission of Ontario.

## **RECOMMENDATIONS**

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The Executive Director, Municipal Licensing and Standards recommends that:

1. City Council amend Toronto Municipal Code Chapter 545, Licensing as follows:

### **Updates to Licensing Definitions**

1. Adopt new definitions as follows:
  - a. **AMUSEMENT, ENTERTAINMENT, OR LIVE PERFORMANCE** - Any activity, performance, presentation, show, or similar event intended to provide amusement, entertainment, or diversion to patrons, including but not limited to the playing of amplified live music and any activity that involves the amplification of sound.
  - b. **OCCUPANT LOAD** – The number of patrons that can occupy an establishment, by reference to the highest occupant load stated on the liquor licence, zoning review application, building permit, or fire occupancy statement submitted by the operator of an establishment to Municipal Licensing Standards as part of its licence application.
  - c. **LEVEL 1 NOISE CONTROL PLAN** – A plan, submitted by the operator of an establishment to Municipal Licensing and Standards in a form and manner satisfactory to the Executive Director, that contains the following:
    - (i) An acknowledgement by the operator of the applicable by-law requirements of Toronto Municipal Code, Chapter 591, Noise, and the availability of community-based mediation services to resolve noise complaints;
    - (ii) Information from the operator that identifies all sound-producing or amplification equipment installed on the premises, including the type of equipment and the frequency of its intended use;
    - (iii) An operations strategy, submitted to MLS upon request, that contains the following:
      - A. How and when the operator will monitor noise levels emanating from the premises;
      - B. What action the operator will take to alleviate excessive noise while the establishment is operating;

- C. How and when the operator will monitor the exterior of the premises to address noise and loitering issues involving patrons of the establishment;
  - D. What process the operator will use to engage with nearby residents, resident groups, and other establishments about noise or nuisance issues related to the establishment; and
  - E. What process the operator will use to respond to persistent resident complaints about noise, including specific actions it will take if the establishment operates in a building that also contains residential accommodation.
- (iv) Any other information or documents related to noise production or control that may be required by the Executive Director.
- d. LEVEL 2 NOISE CONTROL PLAN – A plan, submitted by the operator of an establishment to Municipal Licensing and Standards in a form and manner satisfactory to the Executive Director, that contains the following:
- (i) All of the information required by a level 1 noise control plan;
  - (ii) A report by a certified professional engineer that includes:
    - a. A statement of the intended maximum volume levels at which music or amplified sound will be played within the establishment, based on the equipment present in the establishment;
    - b. A summary of the wattage of all sound-producing or amplification equipment used in the establishment, as well as their locations and positioning within the premises;
    - c. The results of sound-level testing at multiple points at the exterior of the premises;
    - d. A summary of the sound insulation methods, equipment, and mechanisms installed at the business premises and how they will be used to ensure that maximum volume levels are not exceeded.
  - (iii) Any other information or documents related to noise production or control that may be required by the Executive Director.
- e. LIVE MUSIC PERFORMANCE - A live performance for an audience by an individual musical artist or group of musical artists on physical or digital instruments but excludes the playback of recorded music without the active use of an instrument.
- f. PATRON MANAGEMENT PLAN – A plan, submitted by the operator of an establishment to the Municipal Licensing and Standards Division in a form and manner satisfactory to the Executive Director, that contains the following:
- (i) An acknowledgement by the operator of applicable by-law requirements of Toronto Municipal Code, Chapter 743, Use of Streets and Sidewalks related to pedestrian clearways;
  - (ii) A description of where patrons seeking entry or re-entry to the establishment will line up and the maximum number of patrons who will be permitted in such line ups;

- (iii) What procedures the operator will use to monitor line ups, to control the location of lineups, to control the number of patrons in lineups, and to ensure orderly conduct by patrons in lineups; and
  - (iv) A description of how the operator will efficiently organize and monitor entry and exit locations to ensure public safety and prevent patrons from loitering outside of the establishment.
- g. PERSON OF AUTHORITY - A person authorized by the operator of an establishment to operate, manage, supervise, run, or control the establishment.

## Updates to General Licensing Requirements

2. Add the following requirements:
  - a. If a person does not have an endorsement as required by Chapter 545, they are guilty of the offence of operating without the required licence type;
  - b. If the Municipal Licensing and Standards Division has issued an endorsement, the business shall comply with all requirements applicable to the corresponding licence type.
3. Add a requirement that every person licensed or required to be licensed under the Chapter keep their business premises clean, orderly, suitably lighted, and well-ventilated during opening hours.
4. Delete 545-8.4(H), which requires licensees to place and maintain temporary cigarette butt receptacles on the sidewalk in front of their premises.
5. Amend 545-8.4(G) to read: "Without limiting 545-498 and 545-506, every person licensed or required to be licensed under this chapter shall maintain the public sidewalks, curbs, and gutters surrounding their business free from garbage, cigarette butts, cigar tips, littered electronic cigarettes, and any other waste."
6. Delete sections 545-165, 545-167, 545-329, 545-330, 545-364, 545-365, 545-446, and 545-447 that relate to application and other requirements for corporations and partnerships.
7. Add provisions to Article I: General Licensing Provisions related to application requirements for corporations and partnerships that:
  - a. Require a corporate applicant for a licence to submit:
    - (i) A copy of its letters of incorporation or other incorporating document;
    - (ii) A corporation profile report or similar official document that shows the current legal status of the corporation;
    - (iii) An annual return in a form supplied by the Municipal Licensing and Standards Division that may require, among other things, a declaration of controlling interest in the corporation and a list of all shareholders and classes of shareholders of the corporation; and

- (iv) Any other information or documents that the Executive Director may require to understand the management and ownership structure of the corporation.
- b. Require a partnership applicant for a licence to submit a declaration that states the following:
    - (i) The name and address of every partner;
    - (ii) The name(s) under which they carry on business;
    - (iii) That the partners listed are the only members of the partnership; and
    - (iv) The mailing address for the partnership.
  - c. Where the shares in a corporate applicant are owned in whole or in part by another corporation or where a member of a partnership applicant is a corporation, require the applicant to submit, upon request by the Municipal Licensing and Standards Division, an annual return for and such other information or documents that the Executive Director may require to understand the management and ownership structure of that other corporation and any further related corporations that are identified.
  - d. Require any corporation or partnership applying for the renewal of its licence to submit, upon request by the Municipal Licensing and Standards Division, updated versions of any of the information or documents required above.
8. Add provisions to Article I: General Licensing Provisions related to changes to the structure if a corporation or partnership that:
- a. Requires corporate and partnership licensees to immediately notify the Municipal Licensing and Standards Division in writing of any change to the controlling interest in the corporation or change in the membership of the partnership.
  - b. Requires that where the controlling interest in a corporation or the membership of a partnership that holds a licence related to a holistic centre, body-rub parlour, adult entertainment club, or private parking enforcement agency has changed, the corresponding licence shall immediately terminate, and the corporation or partnership shall be required to apply for a new licence.

### **Administrative Update to Offences Section**

- 9. Update 545-8.5, so it is consistent with the City's authority to establish fines and create offences under the City of Toronto Act, 2006, including:
  - a. Updating the maximum fine to \$100,000 for offences;
  - b. Adding a special fine for all offences in an amount equal to any economic gain obtained from non-compliance;
  - c. Adding general offences for obstructing an inspection or investigation under Chapter 545 and failing to provide information to Municipal Licensing and Standards as required;

- d. Designating each offence as a continuing offence with a maximum daily fine of \$10,000 and a total fine which may exceed \$100,000.

## **Eating or Drinking Establishments**

10. Delete Article X – Food Establishments and delete licence requirements for bake shop operators; every person who owns or keeps any place for the reception, refreshment, or entertainment of the public; every person who owns or keeps a victualling house; and every person who owns or keeps a place where foodstuffs intended for human consumption are made, offered for sale, stored or sold.
11. Add a licence requirement for every person who operates an eating or drinking establishment.
12. Amend the definition of “eating or drinking establishment” such that it reads as follows: “Premises where food or beverages are prepared or served to patrons for immediate consumption on-site and which may include an incidental take-out service or ancillary amusement, entertainment, or live performance.”
13. Add a licence requirement for every person who operates an expanded activity eating or drinking establishment.
14. Add a definition of “expanded activity eating or drinking establishment” as follows: “An eating or drinking establishment that meets three or more of the following criteria: (i) within any seven-day period, the establishment operates past 11 p.m. for a majority of days it is open, (ii) the establishment has a liquor licence to serve alcohol; (iii) the establishment offers amusement, entertainment, or live performance; (iv) the occupant load of the establishment exceeds 150 persons.”
15. Require every operator of an eating or drinking establishment to submit the following information upon licence application or renewal, or at any time during the term of the licence as required by the Municipal Licensing and Standards Division, in addition to the general licence application requirements that apply to all businesses:
  - a. If the establishment serves alcohol, a copy of a valid liquor licence;
  - b. If the establishment does not hold a liquor licence, another document that can be used to determine the occupant load of the establishment;
  - c. Confirmation of whether amusement, entertainment, or live performance are or will be offered at the establishment at any time;
  - d. Hours of operation of the establishment; and
  - e. Any other information or documents required by the Executive Director.
16. Adopt the following additional requirements for every operator of an eating or drinking establishment:
  - a. Immediately produce a current food safety inspection report or reports relating to the currently posted food safety inspection notice for the establishment upon request by any person;

- b. If serving alcohol, notify the Municipal Licensing and Standards Division of any change to the terms of the establishment's liquor licence within 14 calendar days.
17. Add a provision that the Executive Director, at their sole discretion, may require an operator of an eating or drinking establishment to:
- a. Upon licence application or renewal or at any time during the term of a licence, submit:
    - (i) A level 1 noise control plan and/or a patron management plan to the Municipal Licensing and Standards Division;
    - (ii) A level 2 noise control plan to the Municipal Licensing and Standards Division for approval.
  - b. Operate in accordance with the submitted or approved plan(s) and immediately provide a copy to any employee of the Municipal Licensing and Standards Division upon request.
18. Add a provision that the Municipal Licensing and Standards Division may provide the licence application of an eating or drinking establishment to the Medical Officer of Health and consider any report from the Medical Officer of Health in determining whether to grant or refuse the licence.
19. Add the following requirements for every operator of an expanded activity eating or drinking establishment:
- a. Upon licence application or renewal, submit the following with the Municipal Licensing and Standards Division:
    - (i) A level 1 noise control plan
    - (ii) A patron management plan
  - b. Require the establishment to operate in accordance with the level 1 noise control plan submitted to the Municipal Licensing and Standards Division at all times and to immediately provide a copy of the submitted plan to any employee of the Municipal Licensing and Standards Division upon request;
  - c. Require the establishment to operate in accordance with the patron management plan submitted to the Municipal Licensing and Standards Division at all times and to immediately provide a copy of the submitted plan to any employee of the Municipal Licensing and Standards Division upon request.
  - d. Create a list of persons of authority, including current contact information for each person on the list, and designate at least one person included on the list of persons of authority to be on the premises at all times during hours of operation;
  - e. Provide the list of persons of authority to any employee of the Municipal Licensing and Standards Division immediately upon request.

### **Take-out or Retail Food Establishments**

20. Add a licence requirement for take-out or retail food establishments.

21. Add a definition of "take-out or retail food establishment" as follows:



“A. Premises where food or beverages are prepared and offered to patrons exclusively for consumption off-site; or  
B. Premises that offer pre-packaged food or drink items to patrons exclusively for consumption off-site, except where such a service is insignificant to the purposes of the business.”

22. Require every operator of a take-out or retail food establishment, if the establishment serves alcohol, to submit a copy of a valid liquor licence upon licence application or renewal, in addition to the general licence application requirements that apply to all businesses.
23. Adopt the following requirements for every operator of a take-out or retail food establishment:
  - a. If preparing or serving food, immediately produce a current food safety inspection report or reports relating to the currently posted food safety inspection notice for the establishment upon request by any person;
  - b. If serving alcohol, notify the Municipal Licensing and Standards Division of any change to the terms of the establishment’s liquor licence within 14 calendar days.
24. Add a provision that the Municipal Licensing and Standards Division may provide the licence application of a take-out or retail food establishment to the Medical Officer of Health if the establishment is serving or preparing food pursuant to the Health Protection and Promotion Act or its regulations and consider any report from the Medical Officer of Health in determining whether to grant or refuse the licence.

### **Entertainment Establishments/Nightclubs**

25. Continue to require every person who operates an entertainment establishment/nightclub to obtain a licence.
26. Amend the definition of “entertainment establishment/nightclub” such that it reads as follows:

“A. Premises where amplified music is provided for patron entertainment or dancing.  
B. Despite this definition, a premises shall be deemed an entertainment establishment/nightclub under this Chapter where it meets three or more of the following criteria:

  - (i) The establishment offers or advertises bottle service, meaning the sale or service of liquor by the bottle;
  - (ii) The operator refers to or advertises the establishment as a club, nightclub, disco, dance hall, dance club, or similar venue;
  - (iii) The premises are equipped with a lighting system, sound system, or disc jockey booth greater in scope than in an eating or drinking establishment; or
  - (iv) The premises has a dedicated stage or a dance floor for patron entertainment or dancing.

C. This definition shall not include an adult entertainment club”.

27. Delete Article XLI – Entertainment Establishment/Nightclub.

28. Require every operator of an entertainment establishment/nightclub to submit the following information upon licence application or renewal, or at any time during the term of a licence as required by the Municipal Licensing and Standards Division, in addition to the general licence application requirements that apply to all businesses:

- a. If the establishment serves alcohol, a copy of a valid liquor licence;
- b. If the establishment does not hold a liquor licence, another document that can be used to determine the occupant load of the establishment;
- c. Hours of operation of the establishment;
- d. A level 2 noise control plan, for approval by the Municipal Licensing and Standards Division;
- e. A patron management plan; and
- f. Any other information or documents required by the Executive Director.

29. Adopt the following requirements for every operator of an entertainment establishment/nightclub:

- a. Staff the establishment with at least one security guard for every 100 patrons during opening hours, whose exclusive responsibility or duty while engaged or hired is to guard or patrol the premises for the purpose of ensuring orderly conduct and protecting persons and property;
- b. Ensure that all security guards wear identification and uniforms that comply with the Private Security and Investigative Services Act, 2005 or successor legislation and allow them to readily be identified as security guards;
- c. Ensure that all security guards are licensed under the Private Security and Investigative Services Act, 2005 or successor legislation;
- d. Require that each public entrance to the establishment is staffed with at least one security guard and equipped with a functioning metal detector that is used to screen all patrons upon entry;
- e. Require that the establishment is operated in accordance with the level 2 noise control plan approved by the Municipal Licensing and Standards Division at all times and immediately provide a copy of the approved plan to any employee of the Municipal Licensing and Standards Division upon request;
- f. Require that the establishment is operated in accordance with the patron management plan at all times and immediately provide a copy of the submitted plan to any employee of the Municipal Licensing and Standards Division upon request;
- g. Create a list of persons of authority, including current contact information for each person on the list, and designate at least one person included on the list of persons of authority to be on the premises at all times during hours of operation;
- h. Provide the list of persons of authority to any employee of the Municipal Licensing and Standards Division immediately upon request;

- i. If the establishment serves alcohol, notify the Municipal Licensing and Standards Division of any change to the terms of the establishment's liquor licence within 14 calendar days.
30. Adopt the following insurance requirements for every operator of an entertainment establishment/nightclub:
  - a. Procure a liability insurance policy of at least \$2,000,000 against loss or damage resulting from bodily injury or death and of at least \$25,000 against loss or damage to property;
  - b. Deposit a certificate of such policy with the Municipal Licensing and Standards Division and notify it within 10 calendar days of any change to the policy.

### **Entertainment Places of Assembly**

31. Add a definition of "entertainment place of assembly" as follows: "Premises used as any of the following:
  - (i) A performing arts space, live music performance venue, or any other establishment that offers entertainment or performances to patrons, including but not limited to a theatre, cinema, opera, concert hall, circus, or ballet; and
  - (ii) A space provided to other persons or entities for entertainment, including banquet halls or event venues."
32. Add a licence requirement for every person who operates an expanded activity entertainment place of assembly.
33. Add a definition of "expanded activity entertainment place of assembly" as follows: "An entertainment place of assembly that meets all of the following criteria: (i) within any seven-day period, the establishment operates past 12 a.m. for a majority of days it is open; (ii) the establishment has a liquor licence to serve alcohol; and (iii) the occupant load of the business exceeds 150 persons."
34. Require every operator of an entertainment place of assembly to submit the following information upon licence application or renewal, or at any time during the term of the licence as required by the Municipal Licensing and Standards Division, in addition to the general licence application requirements that apply to all businesses:
  - a. If the establishment serves alcohol, a copy of a valid liquor licence;
  - b. If the establishment does not hold a liquor licence, another document that can be used to determine the occupant load of the establishment;
  - c. Hours of operation of the establishment; and
  - d. Any other information or documents required by the Executive Director.
35. Adopt the following requirements for every operator of an entertainment place of assembly:
  - a. If lines form at any entry to the establishment, an identifiable staff person must regulate the queue and prohibit obstruction of the public right of way;

- b. If serving alcohol, notify the Municipal Licensing and Standards Division of any change to the terms of the establishment's liquor licence within 14 calendar days.
36. Adopt the following insurance requirements for every operator of an entertainment establishment place of assembly:
- a. Procure a liability insurance policy of at least \$1,000,000 against loss or damage resulting from bodily injury or death and of at least \$25,000 against loss or damage to property;
  - b. Deposit a certificate of such policy with the Municipal Licensing and Standards Division and notify the Division within 10 calendar days of any change to the policy;
  - c. Provide authority to the Executive Director to dispense in whole or in part with the insurance requirements if it is determined that it is not necessary with respect to the type or nature of the operation of the establishment.
37. Add a provision that the Executive Director, at their sole discretion, may require an operator of an entertainment place of assembly to:
- a. Upon licence application or renewal or at any time during the term of a licence, submit:
    - (i) A level 1 noise control plan and/or a patron management plan to the Municipal Licensing and Standards Division;
    - (ii) A level 2 noise control plan to the Municipal Licensing and Standards Division for approval.
  - b. Operate in accordance with the submitted or approved plan(s) and immediately provide a copy to any employee of the Municipal Licensing and Standards Division upon request.
38. Add the following requirements for every operator of an expanded entertainment place of assembly:
- a. Upon licence application or renewal, submit the following to the Municipal Licensing and Standards Division:
    - (i) a level 1 noise control plan
    - (ii) a patron management plan
  - b. Require the establishment to operate in accordance with the level 1 noise control plan submitted to the Municipal Licensing and Standards Division at all times and to immediately provide a copy of the submitted plan to any employee of the Municipal Licensing and Standards Division upon request;
  - c. Require the establishment to operate in accordance with the patron management plan submitted to the Municipal Licensing and Standards Division at all times and to immediately provide a copy of the submitted plan to any employee of the Municipal Licensing and Standards Division upon request.

### **Amusement Establishments**

39. Delete Article XVI – Places of Amusement.

40. Delete licence requirements for every person keeping a billiard, pool, or bagatelle table; every person who owns or keeps any exhibition of wax works, menagerie, circus-riding, or other like show usually exhibited by showmen; every person who owns or keeps a roller-skating-rink or other place of like amusement; and every person who owns or keeps a theatre, music hall, bowling alley, moving picture show, public hall, or any place of amusement.
41. Add a licence requirement for every person who operates an amusement establishment.
42. Introduce a definition of “amusement establishment” as follows: “A premises that offers or permits any type of amusement activity for patrons, including any establishment that provides space for amusement activities for patrons, but does not include fitness facilities, recreation centres, or community centres.”
43. Introduce a definition of “amusement activity” as follows: “Activities including but not limited to the following: bowling, video arcades and arcade games, archery, axe throwing, carnivals, internet cafes, miniature golf, golf driving ranges, go-kart courses, roller-skating rinks, billiards or pool, trampolines, rebound tumbling, and other like activities.”
44. Require every operator of an amusement establishment to submit the following information upon licence application or renewal, or at any time during the term of the licence as required by the Municipal Licensing and Standards Division, in addition to the general licence application requirements that apply to all businesses:
  - a. If the establishment serves alcohol, a copy of a valid liquor licence;
  - b. The following documents, issued by the Technical Standards and Safety Authority or its successor agency, if applicable to the business:
    - (i) a valid and current licence to carry on business in Ontario;
    - (ii) a valid and current permit for each amusement device, issued by the Technical Standards and Safety Authority or its successor agency.
45. Add the following requirements for every operator of an amusement establishment:
  - a. Keep sufficient staff of employees for the purpose of the establishment;
  - b. If offering trampoline or rebound tumbling amusement activities:
    - (i) For each 12 trampoline or rebound tumbling units operating, have one qualified supervisor in attendance who is certified in standard first aid;
    - (ii) Permit or allow only one person on each unit at the same time;
    - (iii) Keep a register showing the name and address of each patron and the date and time that such patron was in the establishment.
  - c. If serving alcohol, notify the Municipal Licensing and Standards Division of any change to the terms of the establishment’s liquor licence within 14 calendar days;
  - d. Create a list of persons of authority, including current contact information for each person on the list, and designate at least one person included on

the list of persons of authority to be on the premises at all times during hours of operation;

- e. Provide the list of persons of authority to any employee of the Municipal Licensing and Standards Division immediately upon request.

46. Adopt the following insurance requirements for every operator of an amusement establishment:

- a. Procure a liability insurance policy for the establishment of at least \$1,000,000 against loss or damage resulting from bodily injury or death and of at least \$25,000 against loss or damage to property resulting from any one accident;
- b. Deposit a certificate of such policy to the Municipal Licensing and Standards Division and notify the Division within 10 calendar days of any change to the policy;
- c. Provide authority to the Executive Director to dispense in whole or in part with the insurance requirements if it is determined that it is not necessary for the type or nature of the operation of the establishment.

47. Add a provision that the Executive Director, at their sole discretion, may require an operator of an amusement establishment to:

- a. Upon licence application or renewal or at any time during the term of a licence, submit:
  - (i) A level 1 noise control plan and/or a patron management plan to the Municipal Licensing and Standards Division;
  - (ii) A level 2 noise control plan for approval to the Municipal Licensing and Standards Division.
- b. Operate in accordance with the submitted or approved plan(s) and immediately provide a copy to any employee of the Municipal Licensing and Standards Division upon request.

**Licence Application and Renewal Fees, Implementation, and Additional Requests**

2. City Council amend Toronto Municipal Code Chapter 441, Fees and Charges, Appendix C – Schedule 12, Municipal Licensing and Standards by amending fees in the table below:

Ref No.	Service Fee	Description	Category	Fee Basis	Fee	Annual Adjustment
175	Licence & Permit Issuance	NEW Application fee: Amusement Establishment licence	Full Cost Recovery	Per application	\$459.08	Yes
176	Licence & Permit Issuance	NEW	Full Cost Recovery	Per application	\$265.00	Yes

Ref No.	Service Fee	Description	Category	Fee Basis	Fee	Annual Adjustment
		Renewal fee: Amusement Establishment licence				
193	Licence & Permit Issuance	NEW Application fee: Take Out or Retail Food Establishment licence	Full Cost Recovery	Per application	NEW \$380.00	Yes
194	Licence & Permit Issuance	NEW Renewal fee: Take Out or Retail Food Establishment licence	Full Cost Recovery	Per application	NEW \$251.00	Yes
215	Licence & Permit Issuance	NEW Application fee: Entertainment Place of Assembly licence	Full Cost Recovery	Per application	NEW \$436.00	Yes
216	Licence & Permit Issuance	NEW Renewal fee: Entertainment Place of Assembly licence	Full Cost Recovery	Per application	NEW \$251.00	Yes
217	Licence & Permit Issuance	NEW Application fee: Eating or Drinking Establishment licence	Full Cost Recovery	Per application	NEW \$516.00	Yes
218	Licence & Permit Issuance	NEW Renewal fee: Eating or Drinking Establishment licence	Full Cost Recovery	Per application	NEW \$349.00	Yes

Ref No.	Service Fee	Description	Category	Fee Basis	Fee	Annual Adjustment
235	Licence & Permit Issuance	NEW Application fee: Entertainment Establishment/ Nightclub licence	Full Cost Recovery	Per application	NEW \$1,058.00	Yes
236	Licence & Permit Issuance	NEW Renewal fee: Entertainment Establishment/ Nightclub licence	Full Cost Recovery	Per application	NEW \$710.00	Yes

3. City Council amend Toronto Municipal Code Chapter 441, Fees and Charges, Appendix C – Schedule 12, Municipal Licensing and Standards by adding the associated fees in the table below:

Ref No.	Service Fee	Description	Category	Fee Basis	Fee	Annual Adjustment
NEW 500	Licence & Permit Issuance	NEW Application fee: Expanded Activity Eating or Drinking Establishment licence	Full Cost Recovery	Per application	\$723.00	Yes
NEW 501	Licence & Permit Issuance	NEW Renewal fee: Expanded Activity Eating or Drinking Establishment licence	Full Cost Recovery	Per application	\$525.00	Yes
NEW 502	Licence & Permit Issuance	NEW Application fee: Expanded Activity Entertainment Place of Assembly licence	Full Cost Recovery	Per application	\$611.00	Yes



Ref No.	Service Fee	Description	Category	Fee Basis	Fee	Annual Adjustment
NEW 503	Licence & Permit Issuance	NEW Renewal fee: Expanded Activity Entertainment Place of Assembly licence	Full Cost Recovery	Per application	\$378.00	Yes

4. City Council amend Toronto Municipal Code Chapter 441, Fees and Charges, Appendix C – Schedule 12, Municipal Licensing and Standards to delete fees related to billiard halls, carnivals, circuses, and theatres.
5. City Council direct that the amendments to Toronto Municipal Code, Chapter 545, Licensing, and Chapter 441, Fees and Charges, come into force on January 1, 2025.
6. City Council authorize the City Solicitor, in consultation with Municipal Licensing and Standards, to apply for new set fines or to increase current set fines related to the updated licensing requirements contained in this report and express its support for higher set fine penalties for offences.
7. City Council authorize the City Solicitor to introduce the necessary bills to give effect to City Council's decision and authorize the City Solicitor to make any necessary clarifications, refinements, minor modifications, technical amendments, or by-law amendments as may be identified by the City Solicitor, and the Executive Director, Municipal Licensing and Standards.
8. City Council request the Province of Ontario to consider changes to the City of Toronto Act, 2006, to extend the suspension period for businesses posing an immediate danger to the health and safety or any person or property for longer than 14 days and consider a less stringent standard for suspension than "immediate danger", such as a "serious risk of danger".

**FINANCIAL IMPACT**

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The proposed bylaw amendments contained in this report create an updated framework for licensing food and entertainment establishments beginning in 2025 and directly responds to City Council directives, as well as recommendations from the Auditor General. Initial implementation of the proposed amendments in 2024 requires resource support of one temporary supervisor within MLS’ Business Licensing and Regulatory Services, as well as technology staff support for MLS’ back and front-end systems, which will be managed within MLS’ existing staff complement and budget. Should

additional enforcement resources be necessary, they will be requested as part of MLS' 2025 budget submission.

This report recommends amendments to licensing fees to reflect the proposed updated licensing framework for food and entertainment establishments. MLS reviewed application and renewal fees to ensure they reflect the recommended activity-based licensing approach, and are based on a cost recovery model, in alignment with the City's User Fee Policy. For reference, current and proposed application and renewal fees are outlined in Attachment 1.

To reduce regulatory burden, particularly for lower-impact establishments, staff are recommending that retail stores selling pre-packaged food or drink that is insignificant to the purposes of the business will no longer need a licence for this activity. The estimated annual revenue loss based on currently licensed retail food stores is \$0.7 million. However, this loss in revenue will be fully offset by projected revenue from the proposed new and updated licence fees under the new proposed licence framework. The overall projected 2025 revenue (based on 2022 licensing volumes) is \$5.3 million and with the projected loss from discontinued fees, would result in a net revenue of \$4.6 million. This revenue estimate is consistent with expected 2023 and 2024 revenues.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact section.

## **EQUITY IMPACT**

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The City is home to many equity-deserving groups including Indigenous Peoples, Black Communities, women, newcomers, racialized communities, persons with disabilities, 2S LGBTQ+ communities, youth, persons with low income and undocumented Torontonians. Such groups often face distinct barriers that prevent them from participating in the social, cultural, and economic life of the City and from accessing the benefits that are available to others.

The proposed amendments to licensing regulations for food and entertainment businesses are informed by an equity-based approach to research and consultations. City staff procured an external vendor, VibeLab, to organize consultations for the Night Economy Review. VibeLab focused on ensuring diverse and equitable participation by conducting targeted outreach to industry stakeholders and residents from equity-deserving communities, particularly those who live or work outside of the downtown core, as well as providing stipends to participants who met specific criteria and were from equity-deserving communities. Upon request, City staff also translated a public opinion online survey into Korean to support participation and engagement of Korean-speaking residents in Toronto.

The recommendations in this report aim to address some of the licensing and enforcement challenges experienced by business owners/operators and residents, including the inequitable distribution of entertainment venues, such as nightclubs, across Toronto as they are currently only zoned for downtown. Residents in Scarborough, North York, and Etobicoke have voiced support for permitting

entertainment venues outside of the downtown core to spur cultural and economic development. Participants in consultations also noted that safeguarding affordable spaces for nightlife and cultural gatherings outside of downtown is a priority for protecting marginalized communities, including 2SLGBTQ+ and youth spaces. MLS has therefore proposed amendments to the definitions and regulations of various business categories to better facilitate the licensing process for operators of bars, restaurants, and entertainment venues. The proposed amendments to Chapter 545 could therefore help increase opportunities for residents to better access such establishments across Toronto, alongside amendments proposed by City Planning to enable a more fulsome range of entertainment related uses in all commercial areas in the City so equity-deserving groups have better access to them.

## DECISION HISTORY

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On December 7, 2021, Executive Committee adopted Item 2021.EX28.15: Framework for the Review of Licensing and Zoning Regulations for Restaurants, Bars and Entertainment Venues, which introduced a framework to update licensing and zoning regulations for restaurants, bars, and entertainment venues to better support an inclusive social nighttime culture in Toronto, as well as outlined recommendations for next steps, including consultations. <https://secure.toronto.ca/council/agenda-item.do?item=2021.EX28.15>

[Item 2021.EX28.15](#) contains an extensive decision history, which includes a report from the Auditor General, [2017.AU10.4](#): A Review of Municipal Licensing and Standards Division's Management of Business Licences - Part Three: Eating Establishments and Nightclubs, [2019.EC6.8](#): Strengthening Toronto's Nighttime Economy, as well as [2017.LS17.3](#), [2019.GL1.8](#), [2019.GL8.19](#), [2017.CD17.7](#), [2019.MM9.17](#), [2019.GL10.14](#), [2016.ED10.7](#), [2017.MA7.5](#), [2018.PG29.4](#), and [2019.PH9.6](#).

On April 16, 2019, City Council adopted 2019.MM6.10 Keeping our Streets Clean from Cigarette Butt Litter, directing the Executive Director, Municipal Licensing and Standards to review the issue of cigarette butt litter and report to the General Government and Licensing Committee on the implementation and enforcement of regulations that require business owners and operators to 1) ensure that cigarette butt litter is removed from in front of their premises as a condition of the issuance of a business licence, and 2) install and maintain cigarette butt litter receptacles in front of restaurants, bars and other business establishments. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.MM6.10>

## COMMENTS

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### Purpose

The City's licensing regulations for food and entertainment establishments have not been updated in some time (no updates have been made to the nightclub licence category since it was introduced in 2006) and changing business models have blurred

the lines between what is commonly taken to be a restaurant, bar, or entertainment venue. This has contributed to confusion for businesses, various nuisance and safety issues, and enforcement challenges (particularly regarding licensed restaurants operating as unlicensed nightclubs).

This report proposes amendments to Toronto Municipal Code, Chapter 545, Licensing as it pertains to establishments currently licensed as Eating or Drinking Establishments, Retail Stores (Food), Entertainment Establishments/Nightclubs, Public Halls, Places of Amusement, and Billiard Halls/Pool Halls.

## **Background**

Various City divisions and external organizations have specific scopes of work as it relates to the regulation of food and entertainment establishments.

### *Municipal Licensing and Standards (MLS) and Business Licensing*

MLS issues business licences, and conducts enforcement of business licensing, property standards, noise, and zoning regulations. Through Chapter 545, MLS licenses businesses under the authority of the City of Toronto Act, 2006 where there is a municipal purpose to do so, such as consumer protection, community nuisance, or public health and safety. Municipal licences and permits are required for 99 categories of businesses, trades, and professions. In 2022, the City licensed nearly 115,000 establishments, including 13,453 food and entertainment establishments, making up approximately 12% of all City-issued licences in Toronto.

Chapter 545 currently sets out general licence requirements that all licensees must comply with, including but not limited to, prohibiting discrimination against members of the public, maintaining public sidewalks, and complying with MLS' screening criteria. Screening criteria lay out the thresholds that would result in a licence application or renewal being suspended or denied and are set by MLS under delegated authority; criteria include convictions under Canada's Criminal Code and overdue by-law fines. Under Chapter 545, MLS can also issue additional consent to a licence holder to carry on a related business activity which would otherwise require a licence under Chapter 545; this is described as an 'endorsement' under the Chapter. For example, a place of amusement license holder can attain an endorsement to sell/serve food and drinks without having to get a separate licence for an eating or drinking establishment.

Staff use education and may issue warnings or lay charges to gain compliance with Chapter 545 and may escalate efforts further through coordinated enforcement initiatives with enforcement partners to respond to high impact establishments. In addition, MLS has the authority to refer an establishment to the Toronto Licensing Tribunal (TLT) when there are repeated concerns. The TLT is an independent quasi-judicial body and has authority to approve or refuse a licence application or renewal, place conditions on a licence, or suspend or revoke a licence.

### *Related Regulations*

For an establishment to obtain a business licence from MLS, it must comply with all other related regulations, including but not limited to compliance with zoning and food safety regulations. Issues such as misconduct, assault, and public drunkenness are addressed by the Toronto Police Service (TPS), and issues including serving alcohol to minors, instances of over-serving, and over-crowding are addressed by the Alcohol and Gaming Commission of Ontario (AGCO). For more details, please see Attachment 2.

Specific to liquor licensing, the AGCO has delegated authority to the City to endorse applications for Special Occasion Permits (SOP's) and Temporary Liquor Extensions of Hours. SOPs are a single or multi-day permit processed by the AGCO for companies or individuals that do not already possess a liquor licence to serve or give away liquor during their event. Temporary Liquor Extensions of Hours allows a current liquor licence holder to temporarily extend licensed hours for a single or multi-day event. The City Clerk has delegated authority to consider these requests, alongside input and non-objection from the ward Councillor, as required by the AGCO. This process is separate and distinct from municipal business licensing. City Council has requested that the City Clerk, in consultation with other divisional staff, review the steps to obtain a temporary liquor licence, and to recommend guidelines and/or a consultative process that may aid a Councillor's review of such requests. This work is ongoing.

### *Identified Issues*

Based on an analysis of the current state of Chapter 545 and the City's zoning bylaws, MLS and City Planning have identified several issues and regulatory inconsistencies for restaurants, bars, and entertainment venues, which are being addressed, for example:

- Many of the defined terms in Chapter 545 related to restaurants, bars and entertainment venues are unclear, outdated, and lack clear distinctions between categories.
- Many licensing definitions do not align with zoning definitions. The lack of clear definitions can result in establishments not being issued the appropriate business licence and can lead to enforcement challenges or force establishments into operating in a regulatory grey zone.
- Current business models are evolving and, in some cases, may overlap within several licence or zoning use definitions, or may not completely meet any of the available definitions. Updating regulations to better capture flexible business models and to better distinguish business types will provide clarity for establishments and enable the City to enact appropriate licensing requirements.
- Currently, zoning generally permits nightclubs in the downtown area only, which limits the full range of entertainment-related uses in other areas of the City and forms part of the reason existing nightclubs may be operating under an eating and drinking establishment licence instead of a nightclub licence.

### **Research and Consultation**

To inform the recommendations in this report, MLS analyzed recent licensing and enforcement data, assessed regulations in other jurisdictions, and consulted with industry stakeholders and residents as part of the Night Economy Review.

## *Licensing and Enforcement Data*

Data on the number of new and renewed business licences for 2022 is presented in Table 1. More details are provided in Attachment 3.

Table 1: Total Number of Licences Per Category in 2022

<b>Licence Category</b>	<b>New</b>	<b>Renewed</b>	<b>Total</b>
Retail Store (Food)	1,129	4,820	5,949
Eating or Drinking Establishment	1,278	6,052	7,330
Public Hall	9	66	75
Places of Amusement	7	50	57
Billiard Hall/Pool Hall	4	16	20
Entertainment Establishment/Nightclub	6	16	22
<b>Total</b>	<b>2,433</b>	<b>11,020</b>	<b>13,453</b>

Some key findings include:

- In 2022, the City received 8,256 service requests to investigate the licences of various establishments. Out of these service requests, 2,140 were regarding Eating or Drinking Establishments, while 1,752 were regarding Retail Stores (Food), 26 regarding Entertainment Establishments/Nightclubs, 42 regarding Public Halls, 23 regarding Places of Amusement, and 10 regarding Billiard Halls/Pool Halls.
- In 2022, the City issued 549 charges to food and entertainment establishments for not having a licence or for not posting a licence, 66% of which were for Eating or Drinking Establishments. Of these charges, 454 resulted in convictions.
- In 2022, the TLT heard 8 matters related to Eating or Drinking Establishments and 3 matters for Retail Stores (Food). These matters capture only 5% of total hearings brought to TLT in 2022.
- From January to October 2023, approximately 11 joint enforcement initiatives were undertaken, with 75 inspections and 89 charges issued for non-compliance with Chapter 545 as a result.

## *Jurisdictional Research*

As part of this report, staff completed a scan of similar municipalities to compare licensing requirements (see Attachment 4 for details). Key highlights include:

- Hamilton, Montreal, Vancouver, and New York license restaurants, bars, and nightclubs under one licence category;

- Most municipalities do not issue endorsements and instead require a separate business licence if an establishment has multiple uses;
- Mississauga, Ottawa, and Waterloo do not license establishments that sell only pre-packaged foods, while Hamilton and Vancouver do; and
- For the licensing of eating establishments and nightclubs, Hamilton requires operators to submit a noise control plan and a crowd control plan.

### *Public Consultation*

In late 2018 and early 2019, staff held meetings with key external stakeholders to identify issues and discuss options to develop the City's night economy. In 2021, MLS, EDC and City Planning launched an engagement and information sharing campaign to advise stakeholders and the public about a framework report to Executive Committee ([2021.EX28.15](#)) on the review of licensing and zoning regulations.

Building on these previous engagements, additional public and stakeholder consultations were undertaken in Q1 and Q2 of 2023 as part of the inter-divisional Night Economy Review. The City procured an external vendor, VibeLab, to facilitate meetings with the industry stakeholders and the public and to analyze the results of a City-run online survey. Through March and April 2023, three city-wide public consultations (two virtual and one in-person) and seven stakeholder sessions were conducted, and focused on a variety of topics, including zoning rules, licensing modernization, and addressing barriers to an inclusive nightlife.

Owners/operators of bars, restaurants, and entertainment venues, Business Improvement Areas (BIAs), music stakeholders, artists, “do-it-yourself” (DIY) event organizers, performance venue stakeholders, harm-reduction organizations, resident associations, and the public took part in the consultation sessions. Key insights from industry stakeholders and the public included:

- Support for nightclubs being permitted outside of the downtown core;
- Desire for licensing and zoning that is flexible, hybrid, adaptable, and preserves autonomy for the operator/owner;
- Need for licensing that enables multiple uses within one establishment;
- Live music venue operators not wanting to be categorized as nightclubs; and
- Support for an activity-based approach to licensing by requiring certain establishments to produce and abide by regulations that could help reduce negative impacts on neighbours.

The sessions that were led by VibeLab and results of the survey are reported on in detail in Attachment 5. City staff led an additional consultation for residents as well as three public information sessions to share general findings and proposed licensing and zoning amendments, details of which can be found in Attachment 6. All information presented to the public during the sessions was made available on the City's [Night Economy Review webpage](#).

## Proposed Amendments to Chapter 545

The section below outlines proposed amendments to Chapter 545 for bars, restaurants, and entertainment venues. Current definitions and requirements are outlined in Attachment 7.

### 1. Overview

In the online survey, 60% of surveyed licence holders reported a need for licensing changes, but expressed some apprehension about over-regulation, additional enforcement, and increased costs to comply with new rules. The recommendations in this report aim to streamline requirements, establish clearer rules for food and entertainment establishments, and propose changes to licence definitions to better reflect business activities and changing business models.

#### *Alignment with proposed zoning changes*

To support a harmonized response to enforcement issues and to respond to directives from City Council, staff from City Planning are recommending various amendments to zoning bylaws. Amendments include increasing the permitted maximum area for entertainment establishments in commercial zones and in industrial zones along major streets; permitting nightclubs city-wide in commercial zones (subject to conditions); reducing amusement arcade restrictions; and further modernizing entertainment land use definitions to ensure they are harmonized with Chapter 545. The proposed zoning amendments align with MLS' goals of regulatory modernization and are a critical step to ensuring businesses are applying for the correct business licence.

#### *Activity-based licensing (ABL)*

Activity-based licensing (ABL) is a framework based on complexity or extent of business activities in which licensees with a higher impact (in terms of nuisance and safety), as determined by their business activity, receive more oversight, whereas those with a lower impact can benefit from reduced requirements. The framework was endorsed by Council's Executive Committee in December 2021 ([EX28.15](#)) and is proposed to be applied to the updated Eating or Drinking Establishment and Entertainment Place of Assembly categories (approximately 7,400 licensees).

MLS is proposing to assess specific indicators as part of the framework, which have a direct correlation with potential nuisance or safety issues and are administratively feasible for the City to assess. The indicators include:

- **Liquor licence:** Whether there is a provincial liquor licence for liquor sales.
- **Hours of operation:** On a weekly basis, operating hours past 11 p.m. or 12 a.m. for a majority of days the establishment is open.
- **Occupant load:** The number of patrons that can occupy an establishment. The threshold identified for occupant load is 150, which is identified in fire safety legislation as an assembly occupancy limit when additional fire safety requirements are triggered.



- **Amusement, entertainment, or live performance:** Whether there is any performance or event for the amusement or entertainment of patrons at any time.

Indicators will be assessed upon licence application and/or renewal and if three or more are met, the establishment would be considered an Expanded Activity establishment and would be required to meet additional licence requirements. Implementing ABL will mitigate community nuisance risks throughout the entire lifecycle of a business licence by prioritizing City resources on higher impact establishments.

#### *Multiple licences and endorsements*

To enable multi-use licensing and to respond to regulatory issues outlined by the Auditor General, this report proposes that any business that meets the updated definition of a nightclub must secure a separate nightclub licence and meet applicable requirements. This is intended to strengthen MLS' inspection and enforcement efforts relating to licensed eating establishments operating as unlicensed nightclubs.

If serving or preparing food, other business types under the Chapter will continue to require an endorsement to provide such services. Taking this operational approach will enable staff to better assess the validity of different licensing solutions (e.g., requiring multiple licenses or endorsements). Endorsements impact all licensing categories in the By-law, so staff are taking due diligence to assess potential options during a broader review of Chapter 545, scheduled to begin in 2024. During implementation of proposed amendments, if it is possible for staff to shift operating processes and move to requiring separate licences instead of endorsements, they will do so, with sufficient notice provided to any relevant operators. The intention of this potential change would not be to charge additional full licence fees for separate licences.

Currently, Chapter 545 does not have clear language that non-compliance with an endorsement is a chargeable offence. Staff propose amendments to the general requirements in the Chapter to clarify that if a person does not have an endorsement when required, they are guilty of operating without a licence. This will ensure all relevant licensing requirements are being complied with.

#### *Noise control and patron management plans*

Consultation participants consistently noted noise from venues as well as crowding at closing time as significant concerns. To support the proactive mitigation of safety and nuisance issues, this report recommends introducing noise control and patron management plans as licence requirements for specific establishments (laid out in the licence category sections below). The plans are proposed to be submitted to MLS and complied with at all times. The level 2 noise control plan will be subject to review and approval by MLS staff (which include staff from MLS' Dedicated Noise Enforcement Team).

- **Level 1 noise control plan** will focus on how the establishment will monitor noise levels and respond to noise concerns.
- **Level 2 noise control plan** will apply to Entertainment Establishments/Nightclubs and requires the information in the level 1 plan as well

as the support of a certified engineer to review the maximum volume levels of the establishment, the wattage of equipment used and its location, and a summary of sound insulation methods used within the establishment.

- **Patron management plan** will outline processes for patron entry and re-entry into the establishment as well as procedures for monitoring line-ups and preventing loitering.

In addition, for the food and entertainment establishments proposed to be updated in this report, staff recommend that the Executive Director of MLS have the authority to impose a noise control or patron management plan if needed upon licence application, renewal, or any time during the duration of the licence. This provides staff with flexibility to require the plans, particularly in instances of repeated non-compliance.

#### *Updates to general requirements*

This report also proposes various technical amendments to clean-up the By-law and reduce duplication.

**General cleanliness, lighting ventilation:** There are general cleanliness provisions in multiple licence categories and to reduce duplication, this report recommends a general licence requirement to keep the premises clean, orderly, suitably lighted, and well-ventilated during opening hours.

**Litter control:** In 2019, Council directed staff to review and report back on education programs and enforcement levels to maintain public realm and sidewalk standards, as well as the enforcement of regulations requiring all business licensees to install and maintain cigarette butt litter receptacles in front of their establishments and ensure that cigarette butt litter is removed from in front of their premises. More information on these amendments is laid out in detail in Attachment 2.

- Amendments are proposed in this report to the litter requirements in Chapter 545, to clarify that business licensees are responsible for ensuring that the sidewalk outside their establishment is free of litter and waste, regardless of who left it, to strengthen the general requirements relating to cigarette-butt litter and remove any duplication with the Smoke Free Ontario Act.
- Staff will work collaboratively with other divisions to develop communication materials to educate property and business owners on the requirements and their responsibilities to comply, including in EDC's upcoming Good Neighbour Guide for Late-Night Businesses.

**Corporate reporting requirements:** Staff have found that there are opportunities to streamline corporate requirements in Chapter 545 for consistency and to reduce administrative burden for establishments. Additional background on these amendments is available in Attachment 2. These amendments are being brought as part of this report as they were considered administrative in nature.

#### *Updates to application requirements for food and entertainment establishments*

To further support implementation of the new activity-based framework, it is recommended that food and entertainment establishments be required to submit relevant documentation related to the activity-based indicators to allow MLS to assess whether an establishment is considered ‘Expanded Activity’. To support multi-disciplinary enforcement, it is also recommended that establishments be required to provide a copy of their liquor licence (if applicable) and notify MLS of any changes to the terms of their liquor licence.

**2. Amendments Per Updated Licence Category:**

**A. Eating or Drinking Establishment**

The Eating or Drinking Establishment licence category includes fast food restaurants, traditional table service restaurants, bars, and any other places for reception, refreshment, or entertainment of the public that serves food or drink and has seating. In 2022, there were approximately 7,330 businesses licensed in the category. Currently, if there is no seating, or if there is only common seating, then the establishment is placed in the Retail Store (Food) category.

Staff propose simplifying this category to exclusively capture establishments that provide food or drink for consumption on-site. The proposed definition clarifies parameters for what is typically defined as a bar or restaurant, removes terms like “foodstuffs” and “victualling”, which are outdated and difficult to interpret, and aligns more closely with the definitions in the City’s zoning bylaws. Modernizing the category will support operators and reduce time for new businesses to understand what licence they require from the City.

Proposed changes also respond to a City Council directive about the feasibility of licensing social and/or private clubs. Since the proposed definition refers to patrons rather than the public and does not specify that sale or payment is required, social and/or private club are not exempt and would be required to obtain a licence if the establishment meets the proposed definition. It is proposed that the current licence requirements be maintained, with the addition of notifying MLS of any changes to the establishment’s liquor licence.

Proposed Definition	Proposed Requirements
Premises where food or beverages are prepared or served to patrons for immediate consumption on-site and which may include an incidental take-out service or ancillary amusement, entertainment, or live performance.	<ul style="list-style-type: none"> <li>• Food safety reports to be available for review.</li> <li>• If serving alcohol, notify MLS of any change to the terms of the liquor licence.</li> </ul>

In addition to the general licensing requirements noted above, if an eating or drinking establishment meets three or more of the indicators noted below, it is to be considered an Expanded Activity Eating or Drinking Establishment and required to meet additional requirements focused on mitigating nuisance or safety issues.

Indicators	Additional Requirements
<p>If <u>three or more</u> of the following indicators are met, the Eating or Drinking Establishment will be considered an Expanded Activity Eating or Drinking Establishment:</p> <ul style="list-style-type: none"> <li>• Liquor licence to serve alcohol.</li> <li>• Hours of operation - within any seven-day period, the establishment operates past 11 p.m. for a majority of days it is open.</li> <li>• Occupancy exceeds 150.</li> <li>• Amusement, live entertainment, or performance.</li> </ul>	<ul style="list-style-type: none"> <li>• Create and make available upon request a list of 'persons of authority' for the establishment.</li> <li>• Submit a level 1 noise control plan, to be complied with and made available upon request.</li> <li>• Submit a patron management plan, to be complied with and made available upon request.</li> </ul>

## B. Take-out or Retail Food Establishment

Currently Chapter 545 includes a category for Retail Stores (Food) which captures establishments selling food that have no seating or common seating. In 2022, 5,949 establishments were licensed in this category, ranging from convenience stores to supermarkets. The category is undefined and as a result, the same definition and licence requirements for Eating or Drinking Establishment are applied. This is not clear to operators, nor does it properly describe the activities occurring within establishments.

This report proposes a definition and associated requirements for a new Take-out or Retail Food Establishment category, to encompass establishments that are exclusively take-out and those that sell pre-packaged foods or drinks if it is significant to the primary purpose of the business. Clothing stores that sell a few granola bars, for example, would no longer require a licence. As identified in the financial impact section, the estimated impact of no longer requiring a portion of these establishments to be licenced in 2025 is approximately \$0.7 million. Standard procedures for applying this updated definition (i.e., clearly outlining thresholds for what is significant versus insignificant to a business) will be determined and operationalized by staff as part of implementation.

These establishments have different business models and regulatory needs than bars or restaurants and are less likely to cause nuisance or public safety concerns, especially if patrons do not remain on-site. This approach reduces burden on these lower-impact businesses that will require less City enforcement and licensing resources.

Proposed Definition	Proposed Requirements
<p>A. Premises where food or beverages are prepared and offered to patrons exclusively for consumption off-site; or</p> <p>B. Premises that offer pre-packaged food or drink items to patrons exclusively for consumption off-site, except where such a service is insignificant to the purposes of the business</p>	<ul style="list-style-type: none"> <li>• Food safety reports to be available for review (if serving and preparing food).</li> <li>• If serving alcohol, notify MLS of any change to the terms of the liquor licence.</li> </ul>

## C. Entertainment Establishment/Nightclub

Currently, the nightclub category captures establishments used to provide dance facilities for patrons and where seating is not provided for the majority of patrons. In 2022, 22 establishments had a nightclub licence (compared to 36 establishments in 2017). The category was enacted in February 2006, when there were increasing concerns about the impact of Toronto's "club district" and frequent complaints related to noise, issues of crowd control on the public sidewalk, and general saturation of patrons within the Entertainment District on weekends. The licence category was intended to help address these concerns. However, there are several issues with the current regulations that have resulted in businesses not being issued a nightclub licence, including:

- The City's zoning bylaws generally only permit nightclubs in the downtown area, which prohibits certain nightclub establishments from getting the correct licence, as they are not zoned for the use. Staff have also heard from some nightclub operators that this forms part of the reason they are not making an application under the correct category.
- The licensing definition states that "seating is not provided for the majority of patrons", while the zoning definition does not mention seating. This has proven difficult to enforce, as staff must count the number of patrons and the number of seats during a site visit, which is impractical. In addition, some venues have temporary seating that is adjusted as needed.

These issues were also outlined in a report from the City's Auditor General ([2017.AU10.4](#)), where it was recommended that the City make changes to the definition and strengthen enforcement efforts relating to eating establishments operating as unlicensed nightclubs. To respond to these issues and recommendations, staff propose updating the definition and licensing requirements to focus on the purpose of the establishment (instead of seating) and to align as closely as possible with proposed updates to zoning bylaws. These changes will strengthen MLS' inspection and enforcement efforts by ensuring that establishments providing nightclub services are licensed as such and meet additional safety requirements like security and metal detectors. These efforts are further supported by proposed amendments to the City's zoning bylaws to expand permissions for nightclubs to commercial zones city-wide.

Proposed Definition	Proposed Requirements
<p>A. Premises where amplified music is provided for patron entertainment or dancing.</p> <p>B. Despite this definition, a premises shall be deemed an entertainment establishment/nightclub under this Chapter where it meets three or more of the following criteria:</p> <ul style="list-style-type: none"> <li>(i) The establishment offers or advertises bottle service, meaning the sale or service of liquor by the bottle;</li> <li>(ii) The operator refers to or advertises the establishment as a club, nightclub, disco, dance hall, dance club, or similar venue;</li> <li>(iii) The premises are equipped with a lighting system, sound system, or disc jockey booth greater in scope than in an eating or drinking establishment; or</li> <li>(iv) The premises has a dedicated stage or a dance floor for patron entertainment or dancing.</li> </ul> <p>C. This definition shall not include an adult entertainment club.</p>	<ul style="list-style-type: none"> <li>• Provision of security guards – one per 100 patrons and ensure security guards are licensed by the province.</li> <li>• Each entrance equipped with a metal detector that is used to permit entry.</li> <li>• Create a list of ‘persons of authority’ for the establishment and make the list available upon request.</li> <li>• Submit a level 2 noise control plan to MLS for approval, to be complied with and made available upon request.</li> <li>• Submit a patron management plan, to be complied with and made available upon request.</li> <li>• Insurance policy submitted to MLS (minimum of \$2,000,000 coverage).</li> <li>• If serving alcohol, notify MLS of any change to the terms of the liquor licence.</li> </ul>

Proposed amendments to the definition remove language on seating and instead reflect feedback received during consultations on what most defines a nightclub – patron entertainment and dancing. The core of the definition aligns with proposed amendments to the City’s zoning bylaws, with additional language listed in the licensing definition that specify additional criteria that may be captured under this category (e.g. – those that offer bottle service or advertise themselves as a nightclub). If three or more of these criteria are met, then the establishment shall be considered a nightclub under Chapter 545. These criteria are supported by survey results, where a majority of respondents selected the presence of a large, dedicated area for dancing or entertainment as a specific descriptor of a nightclub.

In addition, the licence definition does not include an adult entertainment club to clarify that adult entertainment is a distinct use. Given that Entertainment Establishment/Nightclubs are likely to have more significant community nuisance or public safety issues, staff recommend strengthening requirements for all licensees in the category, instead of applying the activity-based approach. The proposed requirements strengthen existing provisions for nightclubs, a notable amendment ensures that metal detectors are used to permit entry into the establishment, as currently each entrance is only required to be “equipped” with a metal detector.

As identified earlier in the report, to ensure an efficient enforcement response to nightclubs, it is proposed that if an establishment meets the updated definition as well as a separate licence category, they are required to apply for and renew a separate

nightclub licence and meet the requirements of both licences. Under this proposal, if a business applies for a separate nightclub licence at the same time as they are applying for and/or renewing another licence type, they will be required to pay only the higher licence application and/or renewal fee. If a business applies for a separate nightclub licence at any other time, they will be required to pay the nightclub licence application fee. In future the operator would renew both licences at the same time and only pay the higher renewal fee.

#### **D. Entertainment Place of Assembly**

This report proposes a new Entertainment Place of Assembly licence category to capture live music venues and other entertainment business types (performing arts spaces and theatres), in response to requests from City Council to clarify licensing requirements for venues regularly presenting live music ([2019.PH9.6](#)) and to align with actions presented in Toronto's 2019 Nightlife Action Plan to clarify regulatory requirements for music venues.

There is an existing licence category for Public Halls that captures some entertainment uses. In 2022, there were 75 businesses with a Public Hall licence, including several conference centres, concert halls and banquet halls. There is no definition for it in Chapter 545, and associated licensing requirements are outdated and do not properly support the mitigation of nuisance or safety issues. In addition, currently the By-law exempts any public hall with a liquor licence from requiring a business licence, which is an unnecessary loophole that staff are recommending be removed.

The proposed definition focuses on patrons attending venues as an entertainment experience/audience member, clearly distinguishing it from a bar or restaurant. The updated definition aligns more closely with both the entertainment place of assembly and place of assembly uses in the City's zoning bylaws. Currently, live music venues operate under a variety of terms in Chapter 545, which reflects the diverse nature of the industry, but has led to some ambiguity in interpretation and enforcement, resulting in uncertainty for business operators and residents. "Live music performance venue" is explicitly stated in the updated definition to provide clarity that a venue only providing live music performances should generally be licensed as an Entertainment Place of Assembly. A separate definition of "live music performance" is also being added to the Chapter for further clarification. Live music may occur in other licensed establishments, so those offering live music performances that also meet the Entertainment Establishment/Nightclub definition may require a separate Entertainment Establishment/Nightclub licence, as laid out earlier in this report.

The definition also captures establishments that provide their space to other persons or entities for entertainment, including banquet halls or event venues. This ensures that multi-disciplinary venues, an emerging business model, are incorporated into the licensing framework with some regulatory oversight. The proposed licensing requirements are streamlined and align with City goals to simplify requirements for live music venues and other entertainment uses.

Proposed Definition	Proposed Requirements
Premises which provides any of the following: <ul style="list-style-type: none"> <li>(i) A performing arts space, live music performance venue, or any other establishment that offers entertainment or performances to patrons, including but not limited to a theatre, cinema, opera, concert hall, circus, or ballet;</li> <li>(ii) A space provided to other persons or entities for entertainment, including banquet halls or event venues.</li> </ul>	<ul style="list-style-type: none"> <li>• If lines are formed at entry, have a uniformed attendant present to regulate.</li> <li>• If serving alcohol, notify MLS of any change to the terms of the liquor licence.</li> <li>• Insurance policy submitted to MLS (minimum of \$1,000,000 coverage).</li> </ul>

In addition to the general licensing requirements noted above, if an entertainment place of assembly meets all three of the activity-based indicators noted below it is to be considered an Expanded Activity Entertainment Place of Assembly and needs to meet additional requirements.

Indicators	Additional Requirements
If <u>all three</u> of the following indicators are met, the Entertainment Place of Assembly will be considered an Expanded Activity Entertainment Place of Assembly: <ul style="list-style-type: none"> <li>• Liquor licence to serve alcohol.</li> <li>• Hours of operation - within any seven-day period, the establishment operates past 12 a.m. for a majority of days it is open.</li> <li>• Occupant load exceeds 150 persons.</li> </ul>	<ul style="list-style-type: none"> <li>• Submit a level 1 noise control plan, to be complied with and made available upon request.</li> <li>• Submit a patron management plan, to be complied with and made available upon request.</li> </ul>

**E. Amusement Establishment**

Currently, amusement-related establishments are licenced through the Place of Amusement or Billiard Hall/Pool Hall licence categories. The Place of Amusement category encompasses establishments that provide amusements such as arcades, and the Billiard Hall/Pool Hall category includes establishments with one or more billiards or pool tables. Neither category have definitions in Chapter 545 and in 2022, 57 establishments were licensed as Places of Amusement and 20 as Billiard Halls/Pool Halls.

Staff recommend combining these categories into a newly defined Amusement Establishment category, to capture amusement activities more broadly. The proposed definitions clarify the scope of businesses included in the category, as well as provides a detailed list of activities that are captured to provide additional clarity to operators and MLS staff and ensure the By-law is being modernized to capture emerging amusement uses like axe throwing.

Historically, these establishments are generally compliant with licensing rules, with a small number of investigations for licensing-related service requests. Streamlining this



category will reduce administrative burden for these lower impact establishments. The proposed licensing requirements ensure MLS supports patron safety by ensuring the establishment has sufficient staff for the purposes of the business and provides a list of persons of authority. Current insurance requirements and specific safety regulations for trampoline and rebound tumbling centres are proposed to be maintained.

Proposed Definitions	Proposed Requirements
<p>AMUSEMENT ESTABLISHMENT -</p> <p>premises that offers or permits any type of amusement activity for patrons, including any establishment that provides space for amusement activities for patrons, but does not include fitness facilities, recreation centres, or community centres.</p> <p>AMUSEMENT ACTIVITY -</p> <p>activities including but not limited to the following: bowling, video arcades, archery, axe throwing, carnivals, escape rooms, internet cafes, miniature golf, golf driving ranges, go-kart courses, roller-skating rinks, billiards or pool, trampolines, rebound tumbling, and other like activities.</p>	<ul style="list-style-type: none"> <li>• Ensure the establishment has sufficient staff for the purposes of the business.</li> <li>• Staffing and safety regulations for trampoline and rebound tumbling centres.</li> <li>• Create a list of ‘persons of authority’ for the establishment and make the list available upon request.</li> <li>• If serving alcohol, notify MLS of any change to the terms of the liquor licence.</li> <li>• Submit insurance policy to MLS (minimum of \$1,000,000 coverage).</li> </ul>

### 3. Changes to Licensing Application and Renewal Fees

Staff are seeking approval from City Council to amend licensing fees to reflect the updated framework. MLS reviewed application and renewal fees to ensure they reflect the activity-based licensing approach, and are based on a cost recovery model, in alignment with the City’s User Fee Policy. For reference, current licence and renewal fees are outlined in Attachment 1.

Current fees were reviewed by calculating the staff hours spent processing relevant licence applications and enforcing regulations, then multiplying the hours by the salaries, wages, and benefits of each staff member. For the newly proposed licence categories, it was estimated if staff hours would be increased or reduced relative to current licence types. Findings from this analysis support an activity-based approach with lower fees for lower impact establishments and higher fees for higher impact establishments with more complex business activities. Proposed fees for each licence category are described below. All fees will be subject to an annual Consumer Price Index adjustment in 2025 and subsequent years.

MLS is proposing a five percent reduction in current fees for Eating and Drinking Establishments that do not meet the criteria for Expanded Activity. The proposed licence fee is \$516, and the proposed renewal fee is \$349. The reduced fees reflect that these establishments have a lower impact and typically require a reduced level of oversight and enforcement. Based on an estimation of staff hours required for processing and enforcing the additional licence requirements, staff recommend that

licensing and renewal fees for establishments that meet the criteria for expanded activity are 33 and 40 percent higher than the proposed licensing and renewal fees for standard Eating and Drinking Establishments respectively. The proposed licence fee is \$723, and the proposed renewal fee is \$525.

As described above, it is recommended that application and renewal fees for Entertainment Places of Assembly that do not meet the criteria for Expanded Activity are reduced by five percent (proposed \$436 and \$251), while fees for those that do are 33 and 40 percent higher (proposed \$611 and \$378).

The proposed updated application fee for Take-out or Retail Food Establishment category is \$380, and the proposed renewal fee is \$251. This represents a five percent reduction. No changes are being proposed to the fees for Amusement Establishments. The new framework does not make significant changes to the licence requirements, and current fees are in alignment with cost recovery principles. Current fees are within the range for fees of similar licence types across other jurisdictions (\$255 to \$770).

Staff have found that the current application and renewal fees for Entertainment Establishment/Nightclubs are not cost recovery and not reflective of the cost to process licences and enforce licence requirements. The fees are currently less than those for Eating and Drinking Establishments and are also much less than those charged by Hamilton (\$1029.70) and Mississauga (\$3603.71). Staff therefore recommend that the application fee for Entertainment Establishment/Nightclubs be increased to \$1058 and renewal fee be increased to \$710.

## **Enforcement and Problematic Establishments**

The goal of MLS' bylaw enforcement team is to enhance public awareness of and obtain compliance with City bylaws, including business licensing and zoning regulations. MLS conducts regular inspections of licensed establishments.

Weekly analysis of 311 complaint data informs the development and implementation of proactive enforcement strategies for problematic establishments, such as certain licensed restaurants operating as unlicensed nightclubs. Bylaw Enforcement Officers (BEOs) take an education-first approach to enforcement. BEOs do not respond to complaints or service requests regarding loud parties, disorderly behaviour (e.g., shouting, fighting, or public intoxication) or criminal activities – such matters are directed to the Toronto Police Service (TPS). Additional issues outside the scope of the inspection may be directed to the appropriate City division and/or any other relevant organizations for further action. In addition, BEOs are not emergency responders and cannot be dispatched to investigate a complaint right away. Instead, MLS' bylaw enforcement team responds to service requests using a priority response model. This means that officers are deployed to establishments based on the persistence of issues and/or the level of risk to public use or community nuisance.

The City does not have the authority through its bylaws to compel a business to close or cease operations. However, s.86(2) of the City of Toronto Act enables the City to temporarily suspend a business licence for up to 14 days without a hearing if it believes that the continuation of that business poses an immediate danger to the health or safety

of any person or to any property. Courts are also empowered by the City of Toronto Act to issue an order to close the business if the owner is "convicted of knowingly carrying on or engaging in a business...without a licence required by a by-law".

Decisions by the City to temporarily suspend a business under s.86(2) are considered very seriously and are weighed against other considerations and consequences. As a result, this power has rarely been exercised. To provide staff with additional flexibility to ensure health and safety concerns are responded to in a timely manner, staff recommend making a request to the Government of Ontario to consider amendments to the City of Toronto Act to extend the suspension period beyond the current 14 days and to use a less stringent standard than "immediate danger", such as a "serious risk of danger".

This report recommends additional technical amendments to the offences provisions in Chapter 545 to reflect the authorities available under the City of Toronto Act, including higher maximum fine thresholds and permitting continuing offences. As the City cannot independently establish a set fine schedule, staff will also apply to the province to request new set fines to align with the updated regulations, as well as higher amounts for existing set fines as they have not been reviewed in some time and are not in alignment with set fine amounts across other modernized bylaws that MLS enforces.

#### *Collaborative enforcement initiatives*

MLS bylaw enforcement staff work with AGCO, TPS, TFS, and TPH to inspect problematic establishments in the City (those with high complaint volumes in various settings) that require multi-disciplinary enforcement. MLS has contributed to multiple enforcement initiatives in the Entertainment District resulting in enhanced compliance and proactive enforcement action taken as required. 5 initiatives were conducted in the summer of 2022, with 10 charges issued as a result. From January 2023 to October 2023, 11 initiatives were executed with a total of 75 locations inspected, resulting in 89 charges issued. MLS intends to continue pursuing these coordinated multi-disciplinary efforts when appropriate.

In 2019 ([GL10.14](#)) and 2021 ([EX28.15](#)), Council directed City staff to report on mechanisms to ensure co-ordination between departments to flag instances where establishments are operating without licences, and to develop a cross-jurisdictional action plan for bars, restaurants, and nightclubs. MLS has focused on formalizing processes with enforcement partners to share information that is mutually beneficial to each party's enforcement activities, including information related to public safety and enforcement efforts. This allows all parties to make data-driven decisions, inform proactive interventions with at-risk businesses, and inform policy and resource allocation. Information is actively shared with enforcement partners, namely the AGCO and TPS. For example, Toronto Licensing Tribunal (TLT) decisions are shared with the AGCO, information provided by TPS to MLS are frequently used in TLT reports, and police reports are shared with AGCO to aid inspections. MLS management also regularly meets with AGCO and TPS to discuss various enforcement topics.

### *Enforcement under the new framework*

Moving to an activity-based framework will enable a more precise approach to enforcement and compliance inspections, as establishments with activities that impact nuisance and safety most significantly will be prioritized. MLS' intention is to conduct progressive enforcement, to focus on educating operators about the changes throughout 2025 and anticipate all businesses will have obtained the proper updated licence by the end of the year. Officers will continue to respond to complaints within the existing priority response model. This means that Officers will be deployed based on the persistence of issues and will use different enforcement strategies and/or investigation methods for each priority level, as opposed to treating all complaints equally. As recommended by the Auditor General, MLS will develop a proactive approach to enforcement using the activity-based licensing model and implement a follow-up inspection process after licence issuance or renewal. BEOs will proactively visit select higher impact establishments to confirm that they have obtained the correct licence type and are operating in compliance with any new and/or updated requirements.

### **Related Work: Harm Reduction, SafeTO, Night Economy Town Hall, and a Good Neighbour Guide for Late-Night Businesses**

Owners/operators of food and entertainment establishments have a role to play in supporting a safe night economy. In recognizing this, MLS, City Planning, and EDC have engaged several harm reduction organizations during consultations to understand how bars, restaurants, and entertainment venues intersect with complex issues, such as community well-being, accessibility, public safety, and harm reduction.

Harm reduction was a recurring topic throughout consultations, including requests for industry staff to partake in mandatory harm reduction training and the need for more harm reduction resources. Toronto Public Health (TPH) has developed a comprehensive city-wide strategy to reduce the health and social impacts of substance use related harms and promote the mental health and wellbeing of every Torontonian, which is being discussed at the Board of Health in November 2023. The strategy offers several recommendations of interest to businesses and organizations focused on the night economy, such as, expanding and supporting continuous and comprehensive harm reduction outreach in entertainment spaces, including electronic dance parties, raves, events, festivals, clubs, and bars as well as strengthening community connections through art programming, festivals, and other community-led initiatives.

In addition, SafeTO is a comprehensive community safety and well-being plan for Toronto that works to build individual and community resilience, improve services and systems of care, and positively impact the lives of all Torontonians. Aligning the priorities of the night economy with the SafeTO framework is critical to creating a culturally vibrant and inclusive city. To inform business owners/operators of bars, restaurants, and entertainment venues regarding best practices and resources to run a safe establishment, the City's Economic Development and Culture Division (EDC) is launching the Good Neighbour Guide for Late-Night Businesses in January 2024, which will be available on the City's website and distributed directly by email to live music venues, nightclubs, event organizers, restaurants, and other late-night businesses. This Guide will be a comprehensive resource providing information and links for late-night

businesses, intended to support operators in running a safe establishment that is an asset to the surrounding community, including nearby residents and other businesses.

In addition, EDC is planning a Night Economy Town Hall to be held in January 2024. The event will invite the private sector, community partners, and industry professionals to provide input on completed night economy work to date, share their current experience of participating within the night economy, and help to determine the future priorities of the inter-divisional Night Economy Internal Working Group. MLS will participate in the event and share information on relevant upcoming licensing changes (pending Council approval) and the rules relevant to businesses participating in the night economy. SafeTO programs and services will be promoted within the Good Neighbour Guide for Late-Night Businesses at Town Hall, and through communication channels with operators, event producers, residents and neighbourhood associations, and industry stakeholders.

### **Additional Council Directive on Pop-Up Business Licensing**

In October 2020, City Council requested the General Manager, EDC, in consultation with City Officials to report back on the feasibility of a pop-up business licensing framework to encourage entrepreneurship and small business incubation through the City's COVID-19 recovery ([2020.EX.17.1](#)). MLS explored this proposal along with other ways to support licensed businesses; however, ultimately found that a pop-up licence framework would not apply to many businesses and may not provide significant financial support. Many businesses that open pop-up shops are not required to be licenced under the Licensing By-law (for example, clothing retailers) as a municipal purpose has not been established. Therefore, creating a new temporary licensing requirement (or "pop-up" licence) for general retailers and small businesses would have the effect of expanding the City's licensing regime to business activities that currently do not require a licence, resulting in potentially increased administrative burden.

As for pop-up food businesses, there is no available licensing option for these business types, although some may be an extension of an already licenced business. As long zoning, building, and public health requirements are being complied with for these activities, staff do not consider licensing requirements for these businesses to be in the public interest given their temporary nature.

### **Next Steps and Implementation**

Staff recommend proposed amendments to Municipal Code Chapters 545, Licensing and 441, Fees and Charges, come into effect as of January 1, 2025. City Planning is proposing that complementary changes to the City's zoning bylaws also be enacted on this date. MLS has developed a two-phased implementation plan to support the transition to the new licensing framework.

#### *Implementation Phase 1: 2024*

During this phase of implementation, licence holders will be notified about City Council's adoption of the new licensing framework in early 2024, and again in the fall. In 2024 staff will also consider developing self-assessment tools that will help licenced business

learn what updated licence category they may fall under and what new or updated requirements (depending on the activities of the business) may apply. MLS will develop fillable templates to assist businesses in submitting noise control and patron management plans. Another important part of implementation will be working with Strategic Communications to develop an education and communication campaign to educate businesses, interested parties, and the public about upcoming changes to licence categories and new requirements. The campaign will include updates to City webpages, 311, and direct notices to affected parties and licence holders.

MLS expects to dedicate temporary staff resources to support implementation. This will be critical as there is significant work required to update the existing business and permits online licensing portal to accommodate new licence categories and document requirements. This work will include reviewing and amending the licence application process to ensure MLS captures appropriate information to facilitate the correct determination of the licence to be issued and working across divisions to ensure compatibility with zoning and building code compliance checks. This implementation is well-aligned with enhancements planned in 2024 to the business and permit online licensing portal, including improvements to client experience and application workflows as well as enhanced communication around application and renewal status. Business licence and enforcement staff training will also occur in this phase, as well as updates to internal guidance documents. MLS will engage with 311 staff to ensure complaints and investigation requests can be submitted in alignment with the new licensing regulations.

MLS will monitor outcomes and may request additional staff resources for enforcement of the new framework for consideration in the Division's submission for the 2025 Operating Budget. These resources would support the proposed expansion of zoning permissions for nightclubs into other areas of the City and additional collaborative enforcement initiatives with City partners.

### *Implementation Phase 2: 2025*

Throughout 2025 all currently licensed food and entertainment establishments will be transitioned to the new licensing framework by their designated annual licence renewal date. Upon renewal, these establishments will be required to comply with the updated licensing regulations. Renewal notices that are sent six to eight weeks ahead of the licence expiry date will include detailed information about the new framework. New food and entertainment establishments can also obtain a licence under the new framework beginning in 2025. New licence applications and licence renewals may be submitted online or in person. In 2025, staff intend to migrate existing licences into updated categories without requiring resubmission of a full licence application and existing licence holders will be charged the proposed renewal fee for the updated category that is applicable. MLS staff will work closely with establishments to help them obtain the proper licence and meet any new or updated requirements (depending on the activities of the business) under the new framework. Staff will use their discretion to provide operators with additional time during the transition period as needed. The proposed implementation timeline and phased approach will help operators learn about and prepare for the recommended changes.

## Next Steps

MLS aims to continuously adapt to current and emerging business models while mitigating community nuisance and public use and safety issues. In 2024, MLS intends to prepare a framework for City Council consideration on how to comprehensively review other businesses licensed under Chapter 545, including a proposed set of principles that will guide how MLS licences and regulates businesses going forward. Staff intend for this report to be another step towards modernizing all City of Toronto licensing regulations. MLS will continue to work with partners and relevant industry stakeholders to find opportunities to update the By-law to provide clarity, enhance efficiency, and reduce administrative burden, where possible.

## CONTACT

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## SIGNATURE

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Carleton Grant  
Executive Director, Municipal Licensing and Standards

## ATTACHMENTS

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- Attachment 1: Current and Proposed Fees
- Attachment 2: Additional Background – Related Regulations, Litter Control, and Corporate Reporting Requirements
- Attachment 3: Licensing, Enforcement, and Complaints Data
- Attachment 4: Jurisdictional Research
- Attachment 5: Toronto Night Economy Review, Public Consultation Summary Report
- Attachment 6: City-led Consultation and Information Sessions
- Attachment 7: Current Licensing Requirements and Issues