CITY OF KELOWNA MEMORANDUM

Date:

April 9, 2009

To:

City Manager

From:

Community Sustainability Division

APPLICATION NO. Z08-0098

APPLICANTS: Arthur Razzini

AT: 425 Leon Avenue

OWNERS: 51561 B.C. Ltd.

Purpose:

TO REZONE THE SUBJECT PROPERTY FROM THE C7 - CENTRAL BUSINESS COMMERCIAL ZONE TO THE C7LP - CENTRAL BUSINESS COMMERCIAL (LIQUOR PRIMARY) ZONE TO ALLOW A

NEW LIQUOR PRIMARY ESTABLISHMENT

Existing Zone: C7 – Central Business Commercial

Proposed Zone: C7LP – Central Business Commercial (Liquor Primary)

Report Prepared By: Luke Turri

1.0 RECOMMENDATION

THAT Rezoning Application No. Z08-0098 to amend the City of Kelowna Zoning Bylaw No. 8000, by changing the zoning classification of Strata Lot 2, District Lot 139, ODYD, Strata Plan K668, located at 425 Leon Avenue (tenant address), Kelowna BC, from the C7 – Central Business Commercial zone to the C7LP – Central Business Commercial (Liquor Primary) zone not be supported by Council.

2.0 SUMMARY

The applicant is proposing to add the "LP" designation to the current C7 zoning of the subject property in order to operate a nightclub on the second floor of the building.

3.0 ADVISORY PLANNING COMMISSION

The above noted application was reviewed by the Advisory Planning Commission at the meeting on March 3, 2009 and the following recommendation was passed:

THAT the Advisory Planning Commission <u>not</u> support Rezoning Application No. Z08-0098, for 1675-1687 Pandosy Street, Lot CP, Plan K668, Sec. 24, Twp. 25, ODYD by Steiner Properties Ltd. (Canyon Ventures Ltd.), to rezone the subject property from the C7 – Central Business Commercial zone to the C7LP – Central Business Commercial (Liquor Primary) zone in order to allow the existing food primary establishment to become liquor primary.

Additional Comment: The Advisory Planning Commission could not support Rezoning Application No. Z08-0098 because they felt that there is already too many liquor establishments in the area and in close proximity to the proposed site. Members felt that the rezoning was contrary to the Mayor's Entertainment District Task Force's recommendations.

A

4.0 BACKGROUND

The location was formerly a nightclub, occupying the upper storeys of the building during the 1980s. The building was eventually converted to retail uses, with A&B Sound using the entire building until 2006. The building has been vacant since that time.

Within Zoning Bylaw No. 8000, "liquor primary, minor" establishments include those establishments with 100 persons or less. "Liquor primary establishments, major" have a person capacity of more than 100 persons. While "minor" establishments are allowed within a variety of zones, "major" establishments require the "LP – Liquor Primary" designation to be added to the zone through a rezoning process. Thus, the proposed zoning amendment would allow the owners to operate as a liquor primary establishment with a capacity of greater than 100 persons.

4.1 The Proposal

The applicant is proposing to operate an 'upscale' nightclub on the upper floors of the building, leaving the ground floor available for general commercial/retail space. The applicant has stated that the nightclub would be marketed to a more mature clientele than existing nightclubs in the area.

Access to the second floor would be provided at grade, with an internal lobby providing both stairway and elevator access to the upper level. On the first floor, potential tenants include both an athletic club and a furniture store.

A liquor license application has been forwarded by the applicant to the Provincial Liquor Control and Licensing Branch for their approval. Procedurally, all new liquor primary license applications require local government or First Nation resolution, commenting on the Council consensus for the application. While municipal governments do not make final decisions on the granting of liquor licenses in British Columbia, regulating zoning for each application affords the opportunity to regulate where these establishments are able to locate.

The proposed liquor primary hours of operation are as follows:

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Open	9:00PM	9:00PM	9:00PM	9:00PM	9:00PM	9:00PM	9:00PM
Close	2:00AM	2:00AM	2:00AM	2:00AM	2:00AM	2:00AM	2:00AM

Although the applicant has requested hours of operation for seven days a week, the establishment would likely be limited to Thursday-Saturday operation during the winter months, and Tuesday-Saturday during the busier summer months.

Based on the preliminary occupant load calculation for the second floor, the total interior capacity would be between 450 and 500 persons, which is at the maximum capacity for new liquor establishments within the Mayor's Entertainment District Task Force Policy (see below). A final capacity calculation would be completed further on in the licensing process.

4.2 Site Context

The subject property is located in the former A&B Sound building, on Leon Avenue between Pandosy and Ellis. The lot is within the Urban Town Centre.

More specifically, the adjacent land uses are as follows:

North C7 – Central Business Commercial

East C7 – Central Business Commercial

C7LP - Central Business Commercial (Liquor Primary)

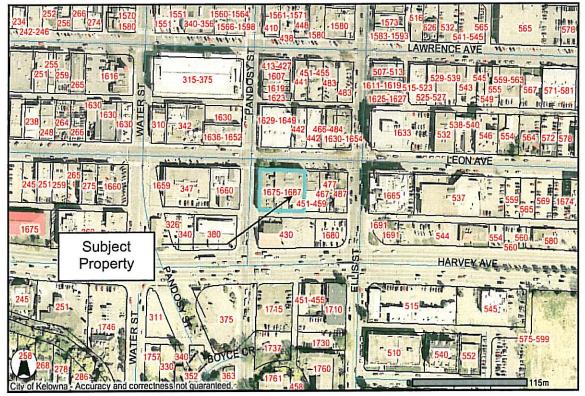
South C7 – Central Business Commercial West C7 – Central Business Commercial

C4 - Urban Centre Commercial

Currently, this portion of Leon Avenue is used primary for community social facilities, including the Outreach Urban Health Centre, the Kelowna Drop-In Centre, and the Ki-Lowna Friendship Centre. Since the relocation of A&B Sound from the area, commercial/retail uses on this block have been very limited.

4.3 Site Location Map

Subject property: 425 Leon Avenue (Civic Address: 1675-1687 Pandosy Street)



5.0 CURRENT DEVELOPMENT POLICY

5.1. Development Potential

The purpose of the C7 zone is to designate and preserve land for the orderly development of the financial, retail and entertainment, governmental and cultural core of the Downtown, which shall provide for high density residential uses, and commercial uses. The "LP" designation would allow for "liquor primary establishment, major" as a primary use, which includes establishments with a person capacity above 100 persons.

4.2 Current Policies

4.2.1 Official Community Plan

6.35 - Entertainment Establishments: Encourage entertainment facilities to locate on lands within the City Centre, Town Centres and highway Centre that

are designated for commercial uses provided that the proposed establishment uses are compatible with any surrounding residential uses.

- 4.2.2 Mayor's Entertainment District Task Force Policy (Council Policy #315)
 - No new, expanded or relocated Liquor Primary Establishment shall be permitted with a person capacity of greater than 500 persons.
 - Any new, expanded or relocated Liquor Primary License application with a
 person capacity of 350 persons or more shall not be located closer than 300
 m (shortest travel distance) to an existing Liquor Primary Establishment with
 a person capacity of greater than 350 persons and no closer than 100 m
 (shortest travel distance) to another Liquor Primary Establishment with a
 person capacity between 150 and 350 person capacity and not abutting or
 adjacent to another Liquor Primary Establishment with a person capacity of
 less than 150 persons.

Other establishments in the area are as follows:

Establishment	Proximity	Capacity	Clientele
Tonics Pub*	~50m	163	Downtown Pub
Blue Gator	~130m	102	Live Music/Bar
Level Nite Club*	~200m	464	Cabaret/Nightclub
Gotcha*	~270m	473	Cabaret/Nightclub
Doc Willoughbys's	~280m	180	Downtown Pub
Liquid Zoo	~300m	301	Adult Entertainment
Cheetah's	~380m	232	Adult Entertainment

^{*} Proximity to listed establishment contravenes Council Policy #315

5.0 TECHNICAL COMMENTS

5.1 Bylaw Services

No concerns.

5.2 Development Engineering Branch

The proposed liquor license application and rezoning from C7 to C7LP does not compromise Works & utilities servicing requirements.

5.3 Public Health Inspector

Detailed plans of the proposed premise are to be submitted for approval prior to construction.

5.4 RCMP

It is the position of the RCMP that no additional Liquor Primary Licences or Establishments should be approved within the existing Entertainment District or "Yellow Zone" of Kelowna.

This position is submitted in consideration of the considerable challenges the RCMP undertake to provide adequate policing services with the current number of liquor establishments in our downtown. Any additional establishments would likely exceed our policing capacity.

5.5 Fire Department

Engineered fire flows are required to determine if existing hydrants/fire flows are adequate and if additional hydrants/fireflows are required. Detailed building code

analysis, to include existing, fire protection, occupancy class, and construction type. These items to be addressed at time of Building Permit submission.

6.0 LAND USE MANAGEMENT DEPARTMENT COMMENTS

The Land Use Management Department is not supportive of the proposed rezoning to allow a liquor primary establishment. Staff are guided by the Mayor's Entertainment District Task Force Report (summarized in Council Policy #315) regarding all Liquor Primary (LP) and Retail Liquor Sales (RLS) establishments. The proposed rezoning contravenes policies within the stated document, including its proximity to other establishments. The proposed establishment is located within 300m of both 'Level' and 'Gotcha' nightclubs, each having a capacity in excess of 350 persons. In addition, Tonic's Pub, with a capacity of 163 people, is located within 100m of the proposed establishment.

In addition, Staff have concerns regarding public safety and police enforcement capacity. With a concentration of liquor primary establishments in the downtown area, the RCMP have faced considerable challenges in providing adequate policing services to the area at peak hours. Although the proposal is to be geared toward a more mature clientele, the addition of a large capacity establishment would put further strain on policing resources, especially in the summer months.

The current building layout includes one tenant space for the entire building. The owners have faced significant difficulties in leasing this large space. With the upper floor leased separately, it would likely be less difficult to lease the remaining tenant space at street level. While it is acknowledged that a liquor primary may not be the ideal tenant in this area, any proposed retail/commercial space on the ground floor would help to create active uses within this area both day and night. This promotes a safer, more vibrant area, and may attract other business to the block once again. Both the applicant and the owner of the building have provided statement of proposals for the application.

Should Council choose to endorse this proposal, an alternate recommendation is provided:

7.0 ALTERNATE RECOMMENDATION

THAT Rezoning Application No. Z08-0098 to amend the City of Kelowna Zoning Bylaw No. 8000, by changing the zoning classification of Strata Lot 2, District Lot 139, ODYD, Strata Plan K668, located at 425 Leon Avenue (tenant address), Kelowna BC, from the C7 – Central Business Commercial zone to the C7LP – Central Business Commercial (Liquor Primary) zone be considered by Council.

AND THAT the zone amending bylaw be forwarded to a Public Hearing for further consideration.

Shelley Gambacort

Director, Land Use Management

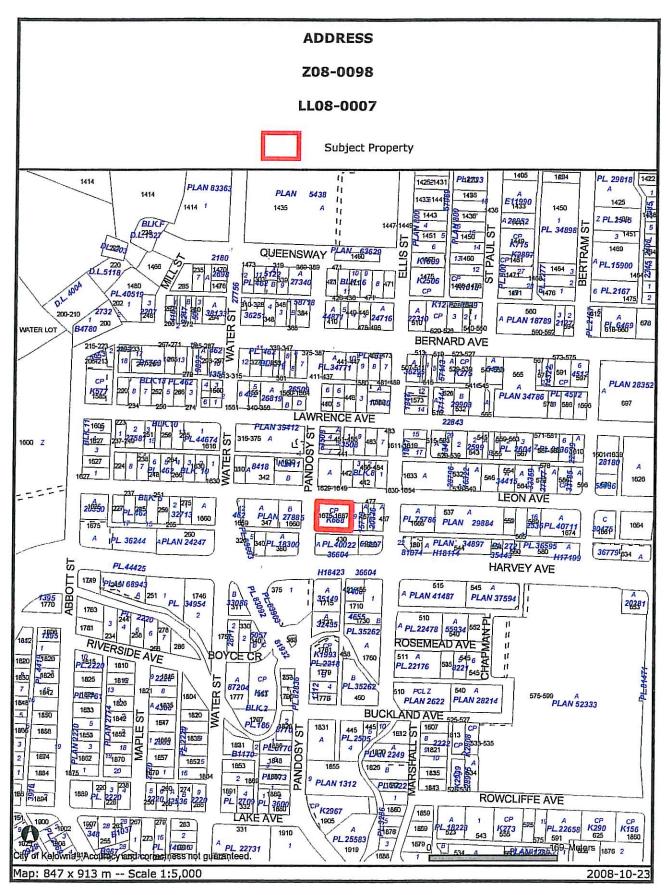
Approved for inclusion

Jim Paterson

General Manager, Community Sustainability

ATTACHMENTS

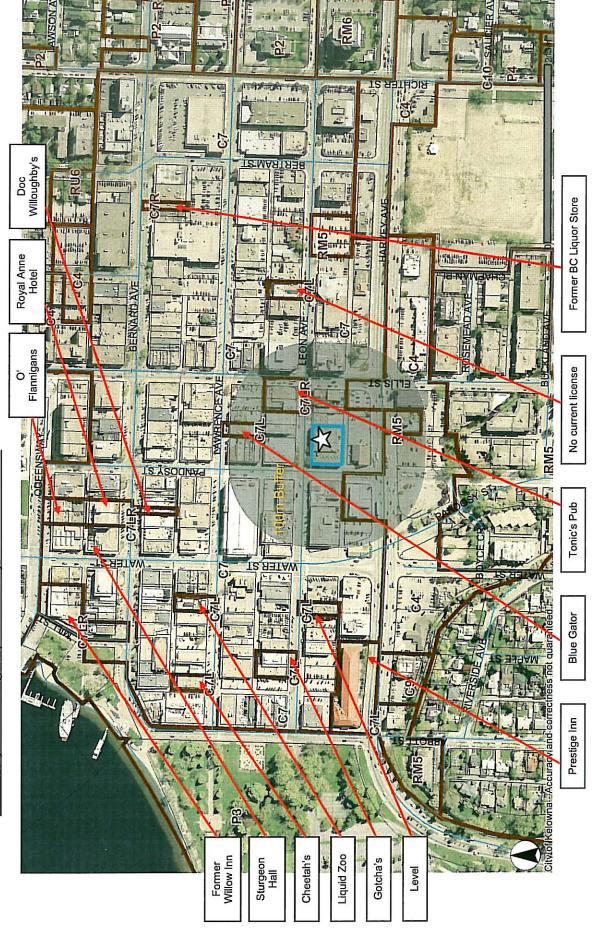
Subject Property Map
Existing Liquor Primary Proximity Map
Proposed Floor Plans (2 pages)
Statement of Proposal from Applicant
Property Owner Support for Liquor Primary License Application -Steiner Properties Ltd.

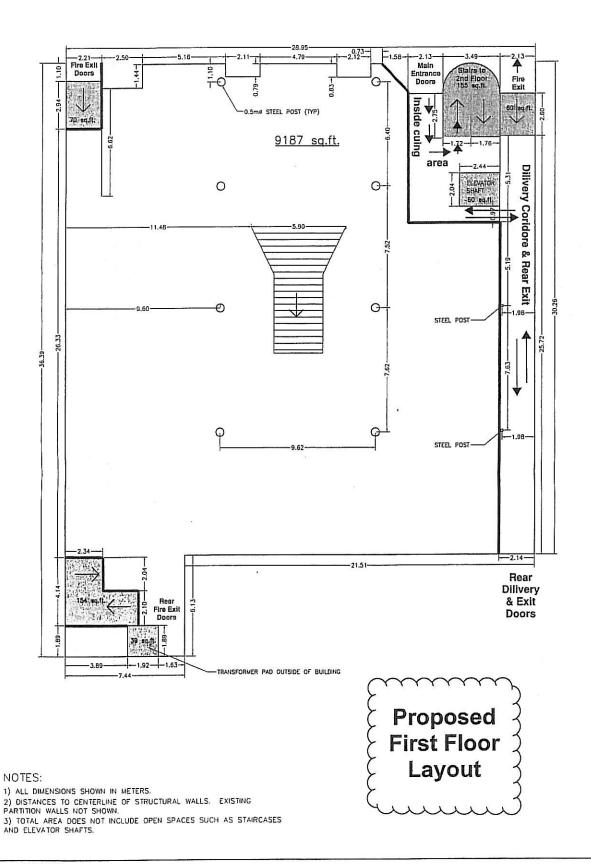


Certain layers such as lots, zoning and dp areas are updated bi-weekly. This map is for general information only.

The City of Kelowna does not guarantee its accuracy. All information should be verified.

Z08-0098 – 425 LEON AVENUE – PROPOSED LIQUOR PRIMARYProximity to Existing Liquor Primary Establishments





LEGEND

OPEN SPACES

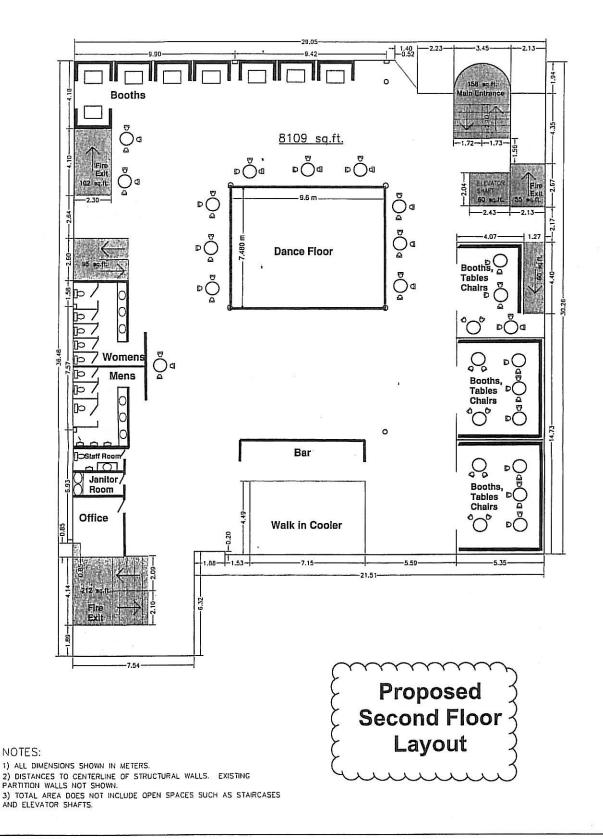
Proposed Layout

CL 0.2m CONCRETE BLOCK WALLS

CL ASSUMED FRAMED STRUCTURAL WALLS

FIRST FLOOR 425 LEON AVE. KELOWNA BC

SCALE: 1:150 DATE: AUGUST 5, 2008



LEGEND

OPEN SPACES

CL 0.2m CONCRETE BLOCK WALLS

CL ASSUMED FRAMED STRUCTURAL WALLS

Proposed Layout

SECOND FLOOR 425 LEON AVE. KELOWNA BC

SCALE: 1:150 DATE: AUGUST 5, 2008

STATEMENT OF PROPOSAL

(to accompany re-zoning application)

for 425 Leon Avenue, Kelowna, BC

<u>Purpose</u>: New Liquor Primary Establishment for Mature Adults (25-44 years)



September, 2008

(Amended: April, 2009)

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Arthur Razzini 110 Hamptons Circle NW Calgary Alberta T3A 5T3

Dear Mayor and Members of Council

The goal of this letter is to briefly introduce myself and to state my intent regarding acquiring a Liquor Primary License.

My name is Arthur Razzini and I currently live and work in Calgary. The food and beverage industry has been a significant part of my life since introduced to it while attending college. I began by working part time in a restaurant then a lounge, and by my mid-twenties became the food and beverage manager at a trendy Calgary restaurant.

In 1989 I had the opportunity to invest in a night club in Kelowna (Gotcha Night Club – 238 Leon Ave) which still operates under the same name. I eventually relocated my family and worked that business until 1993. I then left the night club and became the owner of a New Kelowna Restaurant called Divino's (594 Bernard Ave) I operated this business for over 5 years and during that time I was also the President of the Restaurant & Food Services Association of BC - Central Okanagan Branch. As President I worked closely with City Council, the Downtown Business Association, Chamber of Commerce and the Liquor Board. I sat on the City's Liquor Approval Board with the local inspector (Gary Johnson) and played a major role in having Kelowna approve the licensing of outside patios. Through the Restaurant Association we also played a big role in sponsoring educational programs and raising funds for charities through events such as the Taste of Kelowna, and the Vancouver Food Show. It was a great experience which allowed me to meet many wonderful and knowledgeable people.

Our family eventually returned to Calgary so I could pursue a lucrative job offer but my son (Daniel), who will work with me in this venture, moved back to Kelowna in 2004. He returned to Gotcha Night Club and worked there for 2 years. The owners of Gotcha's then presented us with the opportunity to purchase a minor share in a night club across the street. (Splashes Night Club – 275 Leon Ave Kelowna). Splashes was renovated and the name changed to (Level Night Club). Daniel worked there for two years at which point the other owners bought us out.

We are now looking to introduce a new and more vibrant establishment at 425 Leon Ave in Kelowna. This location was originally a Night Club that operated for many years until sold, and changed to A&B sound. During the period that this location was operating Kelowna actually had more night clubs than it does today, even though it had a much smaller population.

After giving this idea some thought we decided to conduct some research on the city and its demographics, and feel that Kelowna is ready to support a new establishment. We believe this establishment will provide the residents of Kelowna with a much needed alternative to the existing night life, and will cater to a more mature clientele.

Daniel, my daughter Stefanie and myself are very knowledgeable about the city and its people. We have the business experience and practical back ground to create a successful establishment. We believe this establishment would be enjoyed by the residents of Kelowna, and a well needed addition to the growing tourism industry.

I look forward to hearing from you in the near future.

Regards,

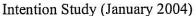
Arthur Razzini
Canyon Ventures Ltd.

TARGET MARKETING

Our proposed establishment intends to target a more mature and responsible clientele, aged 25-44 years. We have chosen these demographics as we feel there is a demand and great opportunity to service them.

We have come to this conclusion by conducting secondary and primary research.

Our sources for the secondary research were through the Kelowna Tourism Overview Report, The Economic Impact of Tourism in Kelowna (November 2006), Kelowna Population Statistics (prepared by: Planning and Corporate Services Department), Central Okanagan Economic Development Commission) and Ipsos Reid Kelowna Travel





Through these reports we have found that the largest age group living in Kelowna is between the ages of 25 to 44 and is also one of the fastest growing (Central Okanagan Economic Development Commission) and (Kelowna Population Statistics). This group spans all types of professions and income brackets. Its average income bracket falls between the Kelowna average household income of \$53,000 and \$100,000+, which is made up of 10% of the population. These figures were provided by the September 2005 Economic Development Commission using (BC states 2001 census). Our secondary research showed a large pool of potential customers in this age group with disposable income. Our primary Research found a lack of local establishments catering to this group.

Our primary research was established from our own experiences in the business. Being involved in several licensed businesses as recently as 2009, we have concluded that Kelowna is lacking in night life entertainment for the <u>mature consumer</u>. We feel Kelowna not only lacks in the amount of establishments to choose from, it is also lacking in the choices between existing establishments. The status quo offers a Country & Western Club outside the downtown core. Two adult bars located in the downtown core, as well as

two clubs catering to the younger crowd. One club use to cater to the older crowd but has since changed to a younger clientele as well. It is still frequented by an older crowd but only because of the lack of versatility in the night life scene.

Working and being invested in the industry has allowed us the benefit of closely monitoring the demographics and hearing the concerns of potential patrons. They are longing for an establishment they can occupy without feeling out of place or unwelcome. To achieve this goal we intend to entice this age group by providing a new and clean facility with a classier look, and music to match the wide demographics of this group. We would be catering to a local crowd, as well as attracting a large tourist trade accustomed to trendier venues. We may also attract patrons from neighboring centers visiting Kelowna for pleasure or business.

As stated above, this group is from a wide spectrum of professions with disposable income. Their income levels allow them the luxury of an establishment that they feel comfortable in, and can enjoy themselves, while feeling safe. We intend to provide these services to our clientele and to build an establishment that is highly regarded for its entertainment value, comfortable and safe surroundings, and friendly atmosphere.



Sample image only of a Mature Adult Lounge, not to be interpreted as actual or final appearance or layout of the Proposed LP establishment"

Mature Adults (25-44 year old demo) in an upscale-setting, drinking responsibly



Hospitality/Tourism Development Factor:

Although our proposed establishment will rely on the local clientele, it will also play a role in the tourist trade. Tourism in Kelowna generates 6900 direct jobs and 5100 full-time equivalents. Total wages associated with tourism related employment are \$130 million. In addition to employment, Kelowna's tourism industry generates roughly \$220 million in direct GDP and \$390 million in direct economic outputs. It also generates \$610 million in economic output for the province of BC. Stats from the (Economic Impact of Tourism in Kelowna – November 06)

In much of the research done, the <u>main reasons for visiting Kelowna</u> vary from family vacations and visiting friends, to wineries and golf. (Albertans being the biggest visitors). In the Ipsos Reid Study of January 2004 it shows that water activities have the highest precipitation of the visitors polled, 73% shopping, wineries and orchards being next, and nightlife at 23%, which scored higher than golf which came in at 16.4%.

Summer months used-to draw the most tourists to Kelowna. Even though summer still sees the largest numbers of tourists, winter is drawing great numbers of tourists to the fabulous ski resorts, shopping and casinos which rank 10.5% participation in 2004

We believe the type of establishment we are proposing will play a role in catering to the existing tourism trade. It would broaden their experience and increase their average spending while visiting the city.

A more optimistic view and one we believe is very possible is that our establishment will become an added reason to visit Kelowna. We hold this belief for the reason that was mentioned in the Target Marketing section. The selection of night life is limited, lacking in versatility, and seems to have fallen behind the trends of the more up-to date cities in BC and other Provinces. We don't believe in the excuse that Kelowna is too small to warrant big city nightlife.



BENEFITS TO THE COMMUNITY:

Other than the benefits stated in the Target Marketing & Hospitality/Tourism Development Factor sections, a big benefit to the Community will be the <u>Revitalization</u> of the 400 block of Leon Avenue.

The proposed establishment will be located in what is currently a vacant 26,000 +/-square foot, three (3) story building. This building has been sitting vacant for several years and continues to be a challenge to lease due to <u>current vagrancy and rampant druguse</u> occupying this block.

The building is bordered by the Kelowna Drop In Center, and the Urban Outreach Health Center. Both establishments are funded by all levels of government, and provide essential services to the homeless and less fortunate.

Although the clientele that visits these establishments is in need of the services they provide, it is usually the less-conscious loiterers that are there to pray on the misery of those seeking help. The loitering as well as the stigmatism attached to these types of social establishments has made it difficult to lease the building we propose to occupy. It has also started to cause more vacancies in this location. More will be discussed regarding the social facilities bordering this building in the next section (Social Facilities and Public Buildings).



A fully-tenanted building means more activity in the area (daytime and night-time) which will cut down on graffiti and drug-use and help revitalize the area.



Kelowna like any other community, does not want to have any section of its city, (especially in the downtown core), left vacant or undesirable. For years the building was completely leased with businesses on the ground floor and a night club on the second floor. In fact when this building was rebuilt some 20 years ago the original owner built it to house his licensed establishment on the second floor. The building was then sold, and for approximately 10 years was A&B Sound. The new owners cut a 1,000 sq foot hole in the second floor and installed a large staircase to connect both floors together. Since A&B Sound moved out of the area several years ago, this building has remained empty. Finding a tenant to lease 26,000 sq ft building is an immense challenge, given the addition of these social facilities, and their perception, it becomes near impossible. Even during the booming economy of the previous few years there has been little to no interest in renting this property. The undesirable condition of the area seems to be causing more vacancy with the building next door becoming the latest casualty.

What we have proposed is to re-establish the licensed area back on the second floor. We would also be obtaining the third floor as part of the deal. The third floor will remain empty for now but we are looking at the possibility of installing a kitchen in the future. The idea is to offer our clientele a small selection of food items thus allowing our patrons more of a lounge atmosphere earlier in the evening. This would also make our establishment more versatile and a potential venue for other uses, such as <u>local wine tastings</u>.



Assuming you agree with our proposal and approve the rezoning application, it will enable the Landlord to lease the main floor of 10,000 +/- square feet of street-level commercial space to one of the few prospective tenants considering the ground floor only space.



FYI: It is not feasible for the Landlord to upgrade the building for a Ground Floor Tenant <u>unless</u> there is a prior unconditional commitment for the second and third floors. The prospects for space (particularly that of the building's 26,000+ square feet have been very slim, as evidenced by its continued vacancy. (See Landlord's letter – page 23)

The building has been vacant since A&B Sound departed more than two years ago, due primarily due to vagrants and drug-users/pushers who've taken over the area.

Once this building is operating as a night time licensed establishment on the second floor, and a day time business on the main floor, it will function as a day and night facility. It will provide the area with a much needed boost in appearance, eliminate the "daytime dead-zone" (typical of the 200 block of Leon Ave) and hopefully reverse the current trend the area is falling into.

The revitalization of this block as well as an entertainment establishment of this type would also complement Kelowna's downtown plan. This block is located just outside the new downtown plans boundary and its refurbishment would correspond well with the new appearance as well as the vision of a mixed use community.

Note: A rendering to show the potential upgrade to the building façade is currently in progress and is anticipated to be ready for May 1, 2009.

ADDED BENEFIT: INCREASED EMPLOYMENT

Another benefit to the community will come in the form of employment and indirect spin offs to the local and provincial economy. Using the bookkeeper's statements from our last licensed venture in Kelowna (Nov 06 to Oct 07) we can conclude that we would create approximately 22 full & part time positions.

With an expected gross income of approximate \$1,000,000 in our first year, our payroll would be approximately \$250,000. We can also expect to spend \$300,000 on liquor purchases, and approximately another \$200,000 on local goods and services. This would include general supplies, soft drinks, maintenance & repairs, accounting, legal, promotions, etc. Not to be forgotten, GST & PST payables

The benefits for the local community are many; 1) expanded entertainment choices for mature adults, 2) boost for tourism, 3) revitalization of this section to the downtown core, 4) creation of more jobs, and 4) financial boost to the local & provincial economy.





SOCIAL FACILITIES AND PUBLIC BUILDINGS

There are no schools, churches, or youth clubs in the near vicinity. But as mentioned in the previous section, there are several social facilities located next to the proposed establishment.

- Bordering us to the east at 455 Leon Ave is the Outreach Urban Health Center; the health center is open Mon–Fri (10am–4pm) for STD/HIV testing, needle exchange, immunization, it also offers nurses, physicians, social workers, and mental health & public health workers. All information regarding the Health Center can be obtained from their website (http://livingpositive.ca/testing.php)
- Next to the Health Center at 467 Leon Ave is the Kelowna Drop-In Center. The
 drop in center provides the less fortunate with hot meals, washrooms, showers,
 and laundry facilities. It also provides Outreach Services and Mental Health
 Counseling. Its hours of operation are Monday Friday 9:00 a.m. to 3:30 p.m.
 and available after hours by appointment only. Information regarding the KDIC
 can be obtained from their website: (http://kelowna.cioc.ca/details.asp?RSN=707)

Our proposed establishment should have no impact on these facilities or their patrons, as their hours of operations are during the day and ours at night.

We have also looked into the concerns that serving liquor near a facility that treats substance abuse could cause or create problems. We found that the majority of patrons frequenting the center leave the area after the centers close. There is a small percentage that tends to congregate in the area, but usually during non business hours when pedestrian and vehicle traffic is very low. We were also informed by professionals working in this field that the patrons tend to shy away from large crowds and do not usually venture into surrounding restaurants or pubs. We were also informed that if any wanted to patronize a drinking establishment they would more likely choose one that offered cheaper drinks and a less formal attire.

TRAFFIC IN THE VICINITY

Traffic flow in the area should not be affected by our proposed establishment as our hours of operation will be well after most of the surrounding businesses have closed.

This proposed establishment operated as a late night licensed establishment for decades during a time when the area enjoyed a more prosperous business atmosphere. Traffic during that time period did not seem to be a concern.

At this time traffic on this block seems to be only as a thoroughfare. Parking is readily available, even during the daytime as there isn't much of a business climate. More traffic in the form of vehicles and pedestrians would be an advantage. As part of the revitalizing in this area it is hoped that by us leasing the proposed establishment as a licensed venue, the landlord can proceed with the planned renovations. This would allow for a new tenant to occupy the ground floor during the daytime hours, creating the much needed and welcomed increase in vehicle and walking traffic into the area.

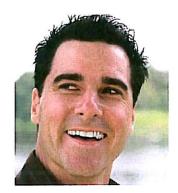
Any increase in vehicle traffic whether it is for day or night time operations of this building would easily be handled by the street parking in the front of the building as well as surrounding streets. There is also a parkade and two city parking lots all located within a 2 block area.



CONTAINMENT OF NOISE WITHIN THE PREMISES

Our proposed location will be housed on the second floor of a concrete building. As previously mentioned this building was built as a night club location and operated as one for at least 20 years.

- The second floor is separated from the first and third floor with concrete floors.
 This type of separation provides excellent sound proofing. There will be no open windows or patios for noise to escape to the outside.
- Most noise from licensed establishments comes from open doors especially during the summer months. In our case the doors are located on the ground floor with a two tiered stairway which eliminates most noise at the entrance. We would also be eliminating any noise from patrons waiting to enter the premises by queing line-ups inside the building. (See Proposed Security Plan – page 15)
- Any noise that would escape to the out side would not affect any of the bordering businesses as they would be closed during this time except for the pub on the corner which is also participating in the entertainment business.
- There are two new condo units on the top floor of a recently built office building. The condos are around the corner approximately 80 meters from our proposed entrance. Considering our layout, structure of the building and a distance of 80 meters, we don't believe there should be any concerns. Further the condos are already within 100 to 180 meters from four other night clubs, one of which operates a roof top patio (Liquid Zoo approximately 140 meters) and is located approximately 80 meters from a Blues Pub which also operates an outside patio.
- People choosing to live in a downtown core and in close proximity to night life
 usually want the excitement and vibrancy the area has to offer. We believe the our
 proposed liquor primary establishment will provide the liveliness and excitement
 that is expected, with the sophistication and refinement of a reputable and that of
 a highly regarded business servicing mature adults.





PARKING

As mentioned in the section on traffic, parking will not be an issue.

- With business closed for the evening there is plenty of free parking in front of the building as well as on all other streets.
- Leon Ave is a 2 lane one way street with angled parking on both sides of the road.
- In addition to the on-street parking, the 480 stall Chapman Parkade, which is also free after 6 pm, is located less then 100m away. (See City parking map attached).
- As well there are two (2) city parking lots within two blocks also free after 6 pm.
 One is on Ellis and Lawrence and the other is on Harvey between Ellis and Bertram.



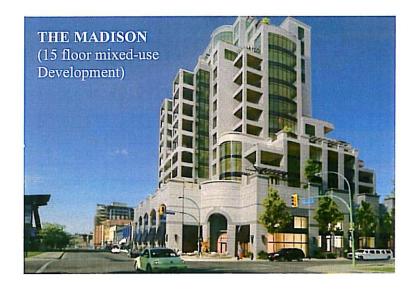
Chapman Parkade (480 +/- stalls, 100 metres away)

SURROUNDING NEIGHBOURHOODS OF THE DOWNTOWN CORE

The downtown core is mainly commercial with residential on the outskirts of the core. From the proposed establishment to the west, remains commercial all the way to the lake.

To the East it remains commercial for approximately half a kilometer and then turns into residential.

To the north it also remains commercial for approximately half a kilometer before it becomes residential; and to the south it remains commercial one block past the main highway which is approximately 200 metres from the back of the proposed site.





OTHER LIQUOR PRIMARY ESTABLISHMENTS

We have located all the licensed establishments in the immediate downtown core and measured the distances in approximate road distances.

Name of Establishment	Civic Address	Est'd Target Market (demo)	Distance to Proposed LP
Tonics Pub	1654 Ellis St	Local downtown crowd	+/- 50 metres
Blue Gator	441 Lawrence Ave	Blues music fans	+/- 190 metres
Level Nite Club	275 Leon Ave	19-25 years	+/- 200 metres
Gotcha's Nite Club	238 Leon Ave	19-25 years	+/- 270 metres
Liquid Zoo	274 Lawrence Ave	19-25 years Adult Entertainment	+/- 300 metres
Cheetah's	220 Lawrence Ave	Adult entertainment	+/- 380 metres

SECURITY PLAN – PROPOSED LIQUOR PRIMARY FOR 425 LEON AVE

The security portion of this proposal is one of the most important sections as it will address Kelowna's growing concerns with violence in the downtown core. These problems are not unique to Kelowna, most cities in BC and throughout the country are facing the same issues and in most cases, much worse. Many of the cities have started to address the issues, and through research and understanding are finding ways to confront and reverse the problems.

In researching several reports that address the problem of violence and liquor establishments, I found the <u>Alberta Roundtable on Violence Report</u> the most informative and best related to Kelowna's rising problem.

- This report combines input and discussion from the stakeholders, law enforcement, liquor inspectors, representatives from municipal governments, & legislators from cities throughout Alberta. The key note speaker was Dr. Kathryn Graham, a leading researcher in the area of alcohol related aggression and developer of Ontario's Safer Bars training program.
- The report suggests that in order to eliminate the growing trend in violence requires a partnership that involves the whole community, licensees, regulators, legislators, police, the justice system, educators, and all levels of government. Throwing money at the problem or not confronting it doesn't seem to work. These growing trends speak to actions such as the growing tolerance for violence in an increasingly violent society or the criminal gang activity. Although working with the community, law enforcement and all governments will be a positive step, we will focus on what can be done by the establishment itself as a first step. We intend to initiate policies and procedures that will deal with many of the reports findings that lead to violence such as;
 - Repeat offenders which demonstrate a total lack of respect for the community and the law. Part of the blame for this attitude is societies growing trend of no accountability for individual's actions and not confronting the problem. Repeat offenders whether they are bullies looking for fights or trying to impress their pears, usually patronize bars were fights are common.
 - 2. High staff turnover, inadequate staff training, aggressive bouncers, inability to defuse situations before they escalate into violence
 - 3. Poorly designed traffic flow patterns with in the establishment and overcrowding that can lead to lineups, bottlenecks, slower service and physical "bumping' that can rile tempers and result in aggressive behavior
 - 4. Poor ventilation and pounding music can make patrons aggressive.
 - Dark corners and unsupervised washrooms can become havens for drug deals

- 6. Violence, whether it is intimidation, threats or fights usually start inside the bars and spill out into the street when the disorderly patrons are asked to leave or at closing time (bar flush) were the problem is now handed over to the RCMP
- 7. Predominantly young male clientele (18 25 years)
- 8. Discount-price drinks which lead to overconsumption.
- 9. Competitive situations such as pool tables or other games.
- 10. Violence is more likely to occur in poorly managed establishments.

In our bid to address these preliminary points we have composed a report stating the security measures we would initiate at the proposed establishment using the best known practices and newest technology available.

To manage the problem of repeat offenders and trouble makers we will be installing an ID scanning system called TreoScope. This system will scan and photograph patrons when they enter. Only the information required to check age and entrance status can be viewed by the establishment. The system will only allow law officials to obtain any personal information. With this system in place individual's who cause problems can be flagged by the establishment or by law enforcement through their own system. It also has the capability of being intergraded not only between all liquor establishments in this city but throughout the province and Country. This would force any person with the intent of causing problems in one establishment to re-think their action as the subsequent measures may be expulsion from all establishments. This system will also address the problem of fake ID and minors. (See TreoScope information - attached)

The system is endorsed by the Wild Coyote in Vancouver and widely used through out the lower mainland and in Kamloops. It has made a significant difference in lowering violations and crime in these areas. We believe that the addition of this type of system will have significant results in avoiding any potential problems in our establishment and lead the way for all establishments to rise up to the security challenges facing them and the city of Kelowna.

It should be mentioned that this security system is still under review by the privacy commission. Even though the decision by the privacy commission has been long awaited it does not mean the system can not be used. It only means that should the privacy commission decide against ID scanning or certain aspects of it, any systems not conforming to the privacy commission specifics will be in violation. The makers of TreoScope are confident its system will be approved because personal information is only displayed to the RCMP.



"I simply won't open my bar without TreoScope's EnterSafe System protecting it."

George Bell, Owner, The Wild Coyote

In addition to the Photo-ID scanner, we will be installing <u>metal detectors</u> and a <u>security-camera</u> <u>system</u> to survey activity inside the establishment and to also encompass the front and rear outside camera(s). All cameras would be hooked up to a main system which would record and store all events for a predetermined period of time.

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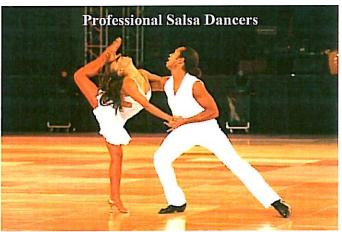
Sample of a Metal-Detector Security System

- Properly-Educated Staff will be a key focus as we agree with the report that low staff turn over and trained staff are key to a successful operation. As owner of Divinos Restaurant, my experience with trained staff and very low turnover was paramount to running a successful restaurant. It goes without saying that a happy staff translates to welcomed and happy patrons. The main focus in this type of business will be door men and bouncer. Bouncers although necessary to the establishment are sometimes the catalyst to many of the problems. The word "bouncer" in itself sets a negative tone and shall be changed to floor men. We plan to institute a policy and procedure booklet that would filter-out any potential problem staff as well as institute the security training course as soon as it is available. The floor men's duty will be to keep a watchful eye on the patrons and at the first sign of potential problems approach the problem with a friendly reminder that the establishment will not tolerate aggressive behavior. We believe a progressive warning system is more effective than the current enforcement being used in most establishments today. We want to set a positive atmosphere, attitude, and tone of the establishment by greeting patrons with friendlier and non intimidating personnel. We feel that this would be a first step in calming any patrons that may have the potential for causing problems throughout the evening. Although we believe our target market age group will not cause us the problems seen in other establishments, we will still take the precautious of implementing a (No colours, ripped or tattered attire) policy. This policy should help mitigate potential problem makers while allowing the large majority who are there to have a good time with the comfort and safety they expect.
- We will also work to alleviate any potential problems in line ups during busy times by forming the queue line inside the entrance; this would also alleviate any noise created by large crowds waiting to gain entrance. At the end of the evening staff will monitor the exits allowing for a courteous and controlled exit.

• The design and floor plan will also lend itself to a calmer and non-aggressive atmosphere, more popular with <u>mature consumers</u>, 25-45 years old. The lay out of our floor space allows us the ability to provide a large amount of seating area mostly in the form of booths. This reduces the stand up jostling that may lead to aggressive behavior.

We have designed a wide and free flow area through and around the seated areas allowing for easy movement to the dance floor or bathrooms. We will be instituting servers to prevent large line ups at the bars. The lay out of the establishment lends itself to the facility being used as an alternative venue for events such as; fashion shows, dance studios, or private parties. A local Salsa Dance club has expressed interest in having weekly practices and competitions at

our new facility.





• The latest sound-system technology will distribute sound throughout the establishment using smaller speakers. This eliminates the larger types of speakers which cause the varying levels of sound in most establishments. An even level of quality sound will produce a more comfortable atmosphere which enables us to provide quieter areas where people who wish to converse can do so with ease.

• As mentioned in the report threats or fights usually start inside and spill into the street when patrons are asked to leave or at closing (Bar Flush). As we have previously mentioned we will be targeting an age group older than the 18-25 year olds which are predominantly involved in these types of situations. Although we have put in place measures we hope will alleviate the bulk of the problems in side we also want to prevent any problems that may flare up outside. In order to do this we have developed several solutions to ease these unlikely situations, starting with the exiting of patrons at closing.

In reviewing the building we found it has an exit leading to the rear of the building and two exits leading out the front. Informing the clientele to the use of all exits would help prevent the possibility of large crowds congregating out side one exit. We will also be installing two large flood lights (1000 watt halogens) directed into the lane, with the visible presence of camera(s) and two to three 1000 watt halogens at the front of the building, also with the visible presence of camera(s). These lights would be turned on at closing to illuminate the street and the lane. Not having a street vendor (hotdog stand) outside the premises will also help ensure patrons will not migrate into small crowds. To help alleviate any problems that may arise with patrons waiting for taxis, we will experiment with the idea of forming a taxi queue at our rear delivery hall-way which leads to the lane. This queue line is indoors and would be monitored by our staff. The taxis would be called and directed by our staff as needed. Further to these measures we would like to work with all involved in the hopes of changing the laws to allow for a soft closing time and/or the possibility of staggered time system. One or both of the measures should help dilute the number of people exiting licensed establishments at the same time mitigating large crowds and the likelihood of violence to flare up.



- Another item mentioned in the report that we feel can be mitigated is the problem of overconsumption due to discounted drink prices. We would be in favor of an all licensee holder's agreement to set minimum drink prices.
- We would also entertain negotiating the possible hiring of officers for the hour after closing on special events evenings or when we know larger than normal activity can be expected.

We are committed as owners and managers of this establishment to take responsibility for our patrons and the premises we do business in. By executing the measures we have mentioned we are confident our establishment will be viewed by the community as well managed and respected business and by any potential problem makers as the type of establishment that will not tolerate bad behavior.

We will further our commitment to the community by continuing our participation and support in the future with all parties involved, to come up with new ideas, innovations, and technology that could further improve the public's right to a safe and enjoyable community.



Mature Adults in favour of this proposal for a new breed of Liquor Primary Establishments.



STEINER PROPERTIES LTD.

August 20, 2008

City of Kelowna 1435 Water Street Kelowna, BC V1Y 1J4

Attention: Mr. Ron Mattiussi, City Manager

Dear Mr. Mattiussi:

Re: Property Owner Support for Liquor Primary (LP) License Application by Canyon Ventures Ltd. (Arthur Razzini) for 425 Leon Ave, Kelowna, BC

Please accept this letter as our support as the registered owner for the property located at 425 Leon Ave, Kelowna, BC for the recent Liquor Primary (LP) application by Arthur Razzini of Canyon Ventures

In conducting our due diligence and research of Mr. Razzini, we have found him to have a very good reputation within the local community, primarily due to his previous experience as owner of Divino's Restaurant and having served on various organizations including the previously operational Liquor Advisory Committee for Kelowna and President of the Central Okanagan Restaurant Association.

We support and believe the intended use (a Liquor Primary establishment) to be an excellent fit for our property, particularly in light of the fact that it will be almost entirely restricted to the 2nd and 3rd floors of the property with the only street-level component coming from a small entrance at the north-east corner of the building and the fire-exit doors which still remain from when the property previously occupied a liquor primary use.

This will provide a good complement with the other potential tenancies we are considering for the ground floor, which include a furniture store and athletic club during the daytime and afternoon. We anticipate this will eliminate the current "daytime deadzone" and help revitalize the area.

Obviously you are aware of the extreme challenges associated with this area over the last 5-10 years, mostly attributable to the abundance of homeless, transients and drugs being traded in the area. Because we (as the property owner) are a major property taxpayer with a high profile building in your community, we anticipate that the City of Kelowna will share our support of Mr. Razzini's application.

Sincerely,

Steiner Properties Ltd. as authorized agent for 51561 B.C. Ltd (owner of 425 Leon Avenue)

Chelsea Harding Asset Manager

CC: Liquor Control & Licensing Board (LCLB), Victoria, BC

312 - 744 W. Hastings Street, Vancouver BC V6C IA5 Tel 604 688 8103 Fax 604 688 6302



We forestall the problematic activities of the troublesome few, effectively putting a blanket of security over an entire community.

TreoScope EnterSafe offers a real and visual deterrent, to forestall the problematic activities of the troublesome few, improving individuals' safety and security.



TreoScope EnterSafe Gateway Security System

Securing People, Premises & Communities

TreoScope Technologies, Inc. is a technology leader focused on securing people, premises and communities. Our advanced data management system helps our clients to validate their customers' identities. And our real-time communication system gathers the insights of individual clients, and shares them with clients throughout our network of installations, effectively putting a blanket of security over an entire community.

At our core, we are an implementer and manager of a technological solution to a common problem in consumer-facing businesses. Our advanced system is the market benchmark in safe and secure data management.

TreoScope is a privately held, Vancouver-based company that does business throughout North

Responsible Gateway Security

TreoScope EnterSafe empowers nightclub, bar and restaurant owners and operators by dramatically improving their gateway security, freeing them to focus on their core business—delivering a great customer experience.

The EnterSafe system pairs a live photo with information stored on the person's identification, creating an encrypted portfolio on each patron who requests entrance to the premises. In a fraction of a second, EnterSafe...

- Confirms the patron's age and the authenticity of their identification
- Captures a live photograph of the individual presenting the identification
- Flags troublemakers for your security staff
- Relays information on troublemakers to TreoScope, so that it can be disseminated to our networked community of clients
- Presents on screen Internal Notes, so you can recognize your VIPs with the special welcome and treatment they deserve
- Identifies underage customers and those with falsified identification, so you can turn them away

Using the TreoScope EnterSafe System

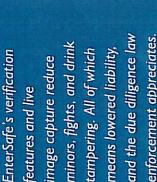
TreoScope EnterSafe's user interface is simple, easy to use, and fast - so it helps to speed up the process of admitting customers. As an ID card is swiped through the reader, EnterSafe captures patron's identification in four ways:

calculating their age, and presenting it on-screen. This empowers the reasonably matches the apparent age of Age Verification: EnterSafe confirms doorperson to confirm the age a customer is of legal drinking age by the individual who presented the ID. Multiple Use Notification: EnterSafe previously on the same date. The staff person can then access the live photo notifies door staff if the same using the same ID.

Expiry Verification: Often, expired ID is passed on to someone underage, who hopes to use that ID to gain entry. identification is still valid.

government standards for information Authenticity Verification: EnterSafe Ds, confirming data on each ID matches validates most States' and Provinces'

and the due diligence law enforcement appreciates. minors, fights, and drink means lowered liability, tampering. All of which EnterSafe's verification image capture reduce features and live





bars and other entertainment venues prevent entry to individuals with a track record of causing trouble. An EnterSafe protected TreoScope EnterSafe has been developed to help nightclubs, venue is a safer venue.

Technologies for Safer People

Your Customer's Privacy is Assured

At TreoScope Technologies, our priority is maintaining the safety and security of individuals' private information:

- Only data essential to verifying age and identity is extracted—name, date of birth, driver's license number, and expiry date.
- Date of birth is only used to calculate age. Neither it nor the license number is ever displayed—except to police and only with a valid warrant
- All data is encrypted with state-of-the-art security. Should the system be stolen, access to personal information simply can't happen.

four customer provides more personal information when they make a credit card purchase than they do by having their ID scanned at an EnterSafe venue.

Recognize Your VIP Customers!

Many of our clients use the EnterSafe system's Patron Management features to reward loyal customers. Individuals can be categorized—from a status like 'banned' to one ike 'VIP' EnterSafe empowers your door staff to greet VIPs with the recognition they deserve, every time.

Identity Security

TreoScope EnterSafe can also be used as a simple safeguard against identity theft. EnterSafe's features alert your staff if an ID has already been used by someone else.



EnterSafe clients enjoy safer premises,

the potential for reduced liability, and the confidence of loyal customers.

Technologies for Safer Premises

TreoScope EnterSafe complements entry point security personnel with a simple, easy-to-use system that never forgets a name or a face, and that assures accurate identity verification.

EnterSafe Clients Know Their Patrons

EnterSafe logs information about everyone who attempts entry to our clients' premises, providing a real and visual deterrent to troublesome individuals. Should a client need to locate an individual customer, they can do so by performing a detailed search on the customer's account profile, or by conducting a search of photos captured live when customers entered the establishment.

The Power of a Networked Community

Notes and Community Alerts can be attached to individual customers' profiles. Notes provide information internally to the client premises, or may be shared to multiple premises owned by the same client. Community Alerts can be disseminated through TreoScope to multiple EnterSafe clients, so they can make informed decisions about who to admit, and who to turn away.

Liability Benefits

More accurate and diligent gateway security means fewer minors fraudulently entering your premises, fewer fights, and a reduction in drink tampering. All of which means lowered liability. It's that simple.

EnterSafe's integrated community of clients enjoy a blanket of safety and security that can only come from shared knowledge.

Technologies for Safer Communities

The community at large benefits from increased safety through TreoScope EnterSafe's shared Community Alerts. What one client knows about causes of trouble, all clients know, so all clients are empowered to run their businesses with less worry or concern.

Engaging Community Stakeholders

TreoScope's systems improve collaboration between police and security personnel, government officials, and the business owners who operate within the community.

Establishments that implement and use TreoScope's EnterSafe system are better equipped to work with police and other law enforcement agencies when problems do arise. And government officials and agencies appreciate that EnterSafe establishments are working hard as a collaborative community of owners to safeguard the general public.

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TREOSCOPE'S ENTERSAFE TRANSFORMING VANCOUVER'S NIGHTLIFE

Overview:

With a population of 2.5 million, Vancouver BC has been ranked as the **best place to live in the world** for five years in a row (Source: Economist magazine). Within the downtown core, Vancouver has a vibrant entertainment district located along Granville Street.

However, Granville Street was once labeled a "ticking time bomb" as fights consistently littered the clubs and the streets – and so, there needed to be something different. The longtime establishments are still there and the partying continues, but there's a new mindset. The bright neon lights of the strip now flood a refreshed entertainment district, an avenue in which nightlife is once again thriving and safety is a top priority thanks in part to a new sense of cooperation.

"TreoScope EnterSafe is the number one tool to provide accountability. Anyone who has the system in place has noticed a remarkable decrease in the number of violent offenses in their premises. People won't go to a place where they don't feel safe."

Vance Campbell, Vice-president of Vancouver Barwatch

Process:

Vancouver Barwatch is a group of bar and nightclub owners who came together with community groups and law enforcement personnel to work on security issues in the entertainment district. After trying cameras, signage, and encouraging member venues to install metal detectors, Barwatch turned to TreoScope's **EnterSafe** system to enhance security while maintaining patron's personal privacy.

After diligently reviewing EnterSafe's features, with a keen eye to personal privacy protection for their patrons, 100% of Barwatch's members installed the system. In fact, it's now mandatory for all Barwatch members.

EnterSafe's instantaneous ID verification and documentation of North American driver's licenses made its trial debut in a handful of bars and clubs in 2004. It quickly established a reputation for dissuading unfavorable patrons who didn't want to be held responsible for their actions. Their basic information such as the time of entry and a live photo is stored on a secure server and can only be accessed if police present a warrant to both TreoScope and the bar. The logs are purged two years after creation.

When TreoScope unveiled a new version of the EnterSafe software in 2007, it further connected the industry beyond neighboring bars and the downtown core. As a result, members are able to share "<u>Community Alerts</u>" with one another via TreoScope. When a patron is unruly, or engages in criminal behavior, an Alert can be published, which TreoScope then conveys to the entire Barwatch group, thereby ensuring that all establishments avoid suffering the same problems as their peers. Entertainment venues from the suburbs to downtown became empowered to share information in order to flag unruly patrons and keep minors from trying to sneak in.

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Results:

The impact was significant and immediate: Crime and other troublesome behavior are down significantly in the entertainment district. EnterSafe has proven to be an effective deterrent to those individuals who might otherwise have caused trouble. And feedback from law enforcement officials has been excellent. In those instances when trouble does arise, entertainment venues, law enforcement and TreoScope have been able to work together as responsible citizens, providing information police have subpoenaed, leading to arrests and prosecutions.

"Sharing Community Alerts is an effective system. It's a power in numbers thing, the more people that use EnterSafe, the better the nightclub climate is."

Paul Stoilen, GM Donnelly Hospitality Group

From Nightclub Industry Perspective:

"It's the number one tool to provide accountability," said Vance Campbell, vice-president of the industry association Barwatch, which includes all the bars and clubs on Granville Street, and someone who has been in the Vancouver entertainment scene for 45 years. "Anybody who has the system in place has noticed a remarkable decrease in the number of violent offenses in their premises. People won't go to a place where they don't feel safe." It has also helped prevent minors from using fake IDs and passing them back and forth and has put a potential face to those who may want to tamper with drinks.

Before EnterSafe was released, surveillance cameras provided the most accountability, but even those weren't necessarily reliable. Campbell recalled a shooting at a club in which gang members entered the premises and began firing their guns. Patrons, in a panic, fled the scene and police were unable to find witnesses to assist in the case since the video couldn't put a name to the patron. Campbell noted that EnterSafe would have been a useful tool since police could have gone back to locate partygoers that night.

"We clean bars up overnight," said Owen Cameron, president of TreoScope. "With EnterSafe, you have that initial deterrence. You know that if you do cause a problem, the police, with a warrant, can get that information and prove that it was you."

Paul Stoilen, GM of the Donnelly Hospitality Group which owns a number of bars and nightclubs says this about sharing Community Alerts. "It's an effective system. It's a power in numbers thing, the more people that use the system, the better the nightclub climate is."

The Wild Coyote in south Vancouver has been noted as a success story for how EnterSafe has helped it to rid itself of unruly patrons and how a stand-alone club can prosper outside an entertainment district. "We've had it for so long that we don't have violence anymore" said owner Greg Bell. "Can I attribute it to the system? Yes, we can attribute quite a bit of it to the system," said Bell. "If you are on the TreoScope system, it helps with your insurance as well. In our case, it looks better in the eyes of the underwriters on the insurance and they sometimes give a better deal."

Bell added that it's rare any patrons raise concerns about having their ID swiped given the word-of-mouth and media attention the system has received. Even older patrons, who obviously aren't minors, are fine with the system and said it's a good idea, according to Bell. "Out of the patrons I've polled, none mind using the EnterSafe system. It seems people appreciate going to an establishment that makes them feel safer. That is precisely the kind of clientele I'm trying to attract," said Bell. The instant photo and age verification has also been credited with shortening lineups and helping flag VIPs, since it can show how many times the person has visited the bar.

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From Stakeholders Perspective:

TreoScope's technology has prompted further communication between all the stakeholders, thereby creating a new level of commitment not seen in Vancouver up until now. "What Vancouver has done by leaps and bounds is open up communication lines between the city, the police and the bar association. They have been working together in ways that I have not seen in a densely populated entertainment district," said Cameron.

Sgt. Curtis Robinson of the Vancouver Police Department, the point man working with Barwatch, said the once adversarial relationship between the police and bar owners has drastically changed. Instead of officers conducting zero-tolerance enforcement and owners doing anything they can to make money, both sides are working together to look out for the public good since EnterSafe can hold the key information for all parties to ensure a safe environment.

Stakeholder Support for EnterSafe

Vancouver City Council passed a motion in support of the nightlife industry using the TreoScope's EnterSafe system.

Furthermore, TreoScope has received letters of support from major stakeholders in the Province of British Columbia including: Vancouver Barwatch Association, Vancouver Police, BC Liquor Board, BC Municipal Chiefs of Police and ABLE BC

"Since installing the TreoScope system, our relationship with the police has greatly improved," said Bell. "I spoke to an officer recently who said he hadn't been called to my bar for quite a while, and assumed it was because business was slow. I assured him that we were busier than ever and that EnterSafe was the reason for the improved safety."

Vancouver city councilor Kim Capri, who represents the area that encompasses the Granville Street strip, said she has done a lot of research into EnterSafe and is very open to the system. She added that the entertainment district is experiencing positive transformation with city policy changes, new police approaches and a paradigm shift among nightlife industry. Capri said that residents and business owners in the area have responded favorably to the adjustments. In addition, Vancouver City Council recently passed a motion introduced by Capri in support of the nightlife industry using TreoScope's EnterSafe system as supported by Barwatch and the Vancouver Police Department. Furthermore, TreoScope has received letters of support from major stakeholders in the Province of British Columbia including: Vancouver Barwatch Association, Vancouver Police, BC Liquor Board, BC Municipal Chiefs of Police and ABLE BC, to name a few.

Even before Vancouver welcomes the world in 2010 for the **Winter Olympics and Paralympics**, the city is already garnering attention for its commitment to create a vibrant and safe nightlife. Stakeholders across the U.S. and Canada have started to take notice and are inquiring about how to make positive changes. As communication and cooperation continues between entertainment venue owners, the city and law enforcement, in part with TreoScope's EnterSafe, Vancouver can perhaps add another sparkling point to its already illustrious reputation on the world

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Portions of this case study contain excerpts from an article by Tim Lai. He has been a reporter for the Globe and Mail, Toronto Star and Edmonton Journal. TreoScope and EnterSafe names and logos are trademarks of TreoScope Technologies Inc. All other trademarks and registered trademarks are the property of their respective companies. Information in this document is subject to change without notice. No part of this document may be reproduced or transmitted in any form or by any means, electronic or mechanical, for any purpose, without receiving written permission from TreoScope Technologies Inc.

Contact for more information: Alana Berg, TreoScope Community Ambassador <u>alana.berg@treoscope.com</u>

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CLIENT QUOTES HAVE BEEN ARRANGED BY TOPIC:

Network - Community Alerts

"It's an effective system. It's a power in numbers thing, the more people that use the system, the better the nightclub climate is."

- Paul Stoilen, GM Donnelly Hospitality Group

Safety

"EnterSafe is the number one tool to provide accountability. Anybody who has the system in place has noticed a remarkable decrease in the number of violent offenses in their premises. People won't go to a place where they don't feel safe."

- Vance Campbell VP, Barwatch Association

"If people know that they're ID has been scanned, they tend to behave better. We've had it for so long (three years) that we don't have violence anymore. Can I attribute it to the system? Yes, we can attribute quite a bit of it to the system."

- Greg Bell, Owner Wild Coyote

"I have been in the night club business for 14 years and I have to say that the results from using TreoScope EnterSafe are outstanding. Since we began using EnterSafe we have seen a significant decrease in unwanted patrons and also property damage."

- Michael Mills, Manager Shark Club

"I know for a fact that my doormen find this system useful because there is a strict policy requiring them to swipe everyone's IDs. This takes the onus off of them and reduces the chance of a confrontation."

- Paul Gaudaur, GM Foggy Dew Irish Pub

Minors

"We have been using the EnterSafe system in a number of our nightclubs for some time now and it has helped immensely in many different ways. To give you one example, we had a situation where a minor gained entry by using his brothers ID. When the authorities came by later on and questioned the minor, he claimed he had not been ID'd at the door by our staff. With the EnterSafe system, we were able to search through the list of patrons and show the authorities a live photo of the minor using the ID thereby proving our due diligence and avoiding a fine. The TreoScope EnterSafe system has paid for itself many times over by saving us from fines and suspensions that could have cost us a significant amount of money and downtime."

- Dave Kershaw, Co-Owner Sea to Sky Hospitality

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"Given our proximity to a large University, there was a potential for underage patrons to use false/altered IDs. Since installing the Enter Safe system, we've seen a significant decrease in underage kids trying to use fake IDs. They simply know there is no point in trying to get past the system and they end up trying elsewhere. In the same way, we've seen a noticeable decrease in trouble makers, because they'd rather go to a place where they are not required to swipe their ID."

- Paul Gaudaur, GM Foggy Dew Irish Pub

"One of the biggest benefits is the fact that minors now choose to go somewhere else because they know they won't make it past our door. We don't see nearly as many fake IDs as we used to, but when one does pop up, the EnterSafe system catches it."

- Greg Bell, Owner - Wild Coyote

"During our first weekend of use, EnterSafe caught a number of fake IDs and alerted the door staff when someone tried to use ID that had already been used by another person earlier that evening. I give EnterSafe an A+ and recommend that other nightclub owners visit The Republik to witness the benefits firsthand."

- Murray Reynolds, Head of Security - Republik

Patrons on Having ID scanned

"99.9% of my patrons are OK with having their ID swiped. My regulars say that it is because of the sense of safety and security they have when they are in my establishment."

- Paul Gaudaur, GM Foggy Dew Irish Pub

"Out of the patrons I've polled, none mind using the EnterSafe system, it seems people appreciate going to an establishment that makes them feel safer. That is precisely the kind of clientele I'm trying to attract." - Greg Bell, Owner - Wild Coyote

Cost Savings

"In addition to the obvious security and safety improvements, I've also noticed a 10 fold decrease in property damage, which to me was an unexpected bonus!"

- Paul Gaudaur, GM Foggy Dew Irish Pub

"If you are on the TreoScope system, it helps with your insurance. In our case, it looks better in the eyes of the underwriters on the insurance and they sometimes give a better deal."

- Greg Bell Owner, Wild Coyote



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Feedback from Stakeholders

"We continue to receive positive feedback from the Liquor Inspector, local police as well as our loyal patrons, so we feel that installing the EnterSafe System has been a fantastic investment."

- Paul Gaudaur, GM Foggy Dew Irish Pub

"Since installing the TreoScope system, our relationship with the police has greatly improved. I spoke to an officer recently who said he hadn't been called to my bar for quite a while, and assumed it was because business was slow. I assured them that we were busier than ever and that EnterSafe was the reason for the improved safety."

- Greg Bell, Owner - Wild Coyote

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