

**From:** "Mochrie, Paul" <[Paul.Mochrie@vancouver.ca](mailto:Paul.Mochrie@vancouver.ca)>

**To:** "Direct to Mayor and Council - DL"

**Date:** 6/8/2023 6:46:34 AM

**Subject:** Memo - Vancouver's policies, regulations and licensing relating to Arcades

**Attachments:** Memo to Mayor Council - Memo - Vancouvers policies regulations and licensing relating to Arcades.pdf

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Dear Mayor and Council

Staff received a request for memo from staff outlining the city's zoning, land use regulations and business licensing for establishing arcades (video, gaming, social space), including considerations for children/youth and food and alcohol service. Staff have prepared this memo for information purposes. Should you have any questions relating to zoning or land use, please feel free to contact Theresa O'Donnell. If there are questions on business licensing, please direct those questions to Andrea Law.

Best,  
Paul

**Paul Mochrie** (he/him)  
City Manager  
City of Vancouver  
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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the x̱məθḵʷəy̱əm (Musqueam), Skwxwú7mesh (Squamish), and səlilwətał (Tsleil-Waututh) Nations.

## MEMORANDUM

June 7, 2023

TO: Mayor and Council

CC: Paul Mochrie, City Manager  
Armin Amrolia, Deputy City Manager  
Karen Levitt, Deputy City Manager  
Maria Pontikis, Chief Communications Officer, CEC  
Rosemary Hagiwara, Acting City Clerk  
Teresa Jong, Administration Services Manager, City Manager's Office  
Mellisa Morphy, Acting Chief of Staff, Mayor's Office  
Trevor Ford, Director of Operations, Mayor's Office

FROM: Theresa O'Donnell  
General Manager, Planning, Urban Design and Sustainability  
Andrea Law  
General Manager, Development, Building & Licensing

SUBJECT: Memo - Vancouver's policies, regulations and licensing relating to Arcades

RTS #: N/A

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The following memo is being provided at the request of Council as it relates to the City's land use policies, regulations and licensing requirements for establishing Arcades in the City. The memo has been organized into two sections, including zoning regulations, and licensing.

### **Zoning & Development By-law**

Section 565A of the Vancouver Charter authorizes Council to make bylaws regulating the use of land and development. Council has passed the Zoning & Development By-law #3575, which includes Arcades defined as:

"The use of premises for 4 or more machines on which games are played for amusement or entertainment and for which a coin or token must be inserted or a fee is charged for use."

Arcades are a permitted conditional use in several of the City's Zoning District Schedules, including C-2, C-3A, FC-1, HA-1, HA-1A, HA-3 C, as well as in the area K2 of the Downtown Official Development Plan (ODP), as well as a various of site specific CD-1 By-laws. Council

has also adopted [Arcade Guidelines](#) to be used in conjunction with the district schedules of the Zoning and Development By-law or ODP for development permits for an arcade. These Guidelines seek to provide consideration relating to windows, access to sun light and seating requirements.

### **Licensing Bylaw:**

Section 272(1)(r) of the Vancouver Charter authorizes Council to make bylaws regulating the presence of persons less than the age of eighteen in “poolrooms, arcades, public dance-halls, billiard-halls, or bowling-alleys” and defining any terms used in this clause. Council has passed the Licensing By-law 4450, which provides for Arcade machines, or “amusement machines” as defined as

“A machine on which a mechanical, electrical, automatic or computerized game is played and for which a coin or token must be inserted or a fee is charged for each use.”

When referring to premises in the business of providing access to amusement machines, the License By-law currently has four separate business licence types, depending on the number of machines on the premises, and the co-location of other entertainment, retail or food and beverage services:

- Games Room (3 or less machines)
- Arcades (4 or more machines)
- Entertainment Centre (4 to 150 machines)
- Family Sports and Entertainment Centre (4 to 150 machines).

More information on the by-law definition, licence fee and current number of licences for each licence type can be found in Appendix A.

These licence types are subject to separate regulations in the License By-law with respect to operating hours, age restrictions, the sale and consumption of liquor, and patron misconduct. To summarize, no persons under the age of 18 are allowed at all times in Arcades. Persons under the age of 15 are restricted from entering and remaining in Games Rooms, Entertainment Centres and Family Sports and Entertainment Centres during school days and hours, unless accompanied by an adult guardian. Furthermore, the sale and consumption of liquor is strictly prohibited in Entertainment Centres and Family Sports and Entertainment Centres. Further details on by-law regulations can be found in Appendix B.

Family Sports and Entertainment Centres and Entertainment Centres were approved by Council as new business licence types in 1996 and 1999 respectively in order to accommodate new development proposals without changing restrictions on minors in Arcades. This was due to staff and Council reluctance at that time to change Arcade regulations. More information can be found in the staff reports from 1999.<sup>1</sup> Family Sports and Entertainment Centres and Entertainment Centres are subject to identical regulations in the License By-law.

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<sup>1</sup> For more information, see: RTS 00341 (1999): [https://council.vancouver.ca/previous\\_years/991130/p2.htm](https://council.vancouver.ca/previous_years/991130/p2.htm); and RTS 01116 (1999): <https://council.vancouver.ca/991130/p1.htm>.

Arcades and Games Room can be located within liquor-serving establishments that have a provincial Liquor Primary licence (i.e. bars and nightclubs) or a Food Primary licence (i.e. restaurants that serve liquor). The Province allows these liquor licence holders to offer arcade games, provided they comply with any terms and conditions on the liquor licence and local by-laws. In addition, if minors are permitted in the Liquor Primary establishment, the operator must not permit any licensed gambling machines or events during the times when minors are allowed to be present, with the exception of raffle tickets and bingo events. Gambling is prohibited in Food Primary establishments, with the exception of ticket raffles licensed by the provincial Gaming Enforcement and Policy Branch.

The multiplicity of business licensing types for arcade style businesses adds unwarranted complexity to the License By-law. Many of the regulations, including the prohibition of minors, the co-location of Entertainment Centres and Family Sports and Entertainment Centres with liquor-serving businesses, and rules on patron conduct (i.e. swearing) are antiquated and reflect societal mores of the past.

Staff are currently embarking on a multi-phase Business Licence Review (BLR) project to review and modernize the City's licensing regulations and processes. The first phase of the BLR project was focused on streamlining licence types and a cleaning up of the License By-law. On May 10, 2023, Council approved the streamlining of the City's current 570 licence types to 88, including for Arcades, Entertainment Centres and Family Sports and Entertainment Centres which are rationalized under one "Entertainment Facility" licence type.<sup>2</sup> Council also approved the striking out of Section 15.3, which contains the regulations for Family Sports and Entertainment Centres, since they are verbatim to the regulations for Entertainment Centres in Section 14.2. The approved amendments to the License By-law, including the new streamlined categories, will come into force on April 1, 2024. Staff will also be reporting back in September 2023 with options and recommendations for raising business licence fees.

The next phase of the BLR project will include a review of the remaining regulations in the License By-law to ensure they meet a valid and current municipal objective, including public safety, nuisance control, consumer protection and alignment with Council priorities. This review will include arcade regulations, with the objective of modernization and potentially allowing new business types, including further opportunities for co-location with liquor serving businesses.

Should you have any further questions regarding the foregoing, please don't hesitate to contact us.



Theresa O'Donnell  
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and Sustainability

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Encl: Appendix A: Summary of definition, licence fees and current number of licences

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<sup>2</sup> [https://council.vancouver.ca/20230510/documents/cfsc3\\_001.pdf](https://council.vancouver.ca/20230510/documents/cfsc3_001.pdf)

Appendix B: Summary of Licensing By-law regulations

**APPENDIX A: Summary of definition, licence fees and current number of licences**

<b>Business licence type</b>	<b>Number of machines allowed</b>	<b>Full definition in the License By-law</b>	<b>Licence fee (2023)</b>	<b>Current number of licences (2023)</b>
Games Room	3 or less	Any person who keeps three or less amusement machines is, for the purpose of this section, the operator of a "games room" and the premises in which such machines are kept is, for the purposes of this section, a "games room".	None	N/A
Arcades	4 or more	Any premises containing four or more machines on which a mechanical, electrical, automatic or computerized games are played for amusement or entertainment and for a which a coin or token must be inserted or a fee is charged for its use, but does not include an Entertainment Centre or a Family Sports and Entertainment Centre.	\$425	6
Entertainment Centre	Not less than 4 and not more than 150	Any premises where a minimum of 55 percent of the total floor area is used for simulated sports, simulated games and similar activities and associated circulation space, and the balance is used for the administration of the space, the sale of food and retail products, and the provision of vending machines offering games for amusement or entertainment.	\$408	7
Family Sports and Entertainment Centre	Not less than 4 and not more than 150	A premises where a minimum of 55 percent of the total floor area is used for simulated sports and associated circulation space, and the balance is used for the administration of the centre, the sale of food and retail products, and the provision of games and automatic machines offering games for amusement or entertainment.	\$408	2

**APPENDIX B: Summary of Licensing By-law regulations**

	<b>Games Room</b>	<b>Arcades</b>	<b>Entertainment Centre</b>	<b>Family Sport and Entertainment Centre</b>
<b>License By-law section</b>	16.1	10.3	14.2	15.3
<b>Restrictions on operating hours</b>	10:00 PM to 10:00 AM from Sunday to Thursday;  11:30 PM to 10:00 AM on Fridays and Saturdays	1:00 AM to 6:00 AM	1:00 AM to 8:00 AM	1:00 AM to 8:00 AM
<b>Rules for minors</b>	Games room operators must be at least 19 years of age.  No persons under the age of 15 allowed in games room between: - 10:00 AM and 3:00 PM on Mondays to Fridays; and - After 9 PM on Saturdays to Thursdays unless such days are a school holiday.  If there is any reasonable doubt of the age of the patron, the operator must request proof of age from the patron.	No persons under the age of 18 allowed on the premises at all times.	No persons under the age of 15 allowed between 10:00 PM and 8:00 AM  In addition, no persons under the age of 15 allowed on the premises between 8:00 AM and 3:00 PM on Monday to Friday (except school holidays) unless the person is accompanied by a parent, legal guardian or school teacher.  If there is any reasonable doubt of the age of the patron, the operator must request proof of age from the patron.	No persons under the age of 15 allowed between 10:00 PM and 8:00 AM  In addition, no persons under the age of 15 allowed on the premises between 8:00 AM and 3:00 PM on Monday to Friday (except school holidays) unless the person is accompanied by a parent, legal guardian or school teacher.  If there is any reasonable doubt of the age of the patron, the operator must request proof of age from the patron.
<b>Co-location with liquor service allowed?</b>	Yes	Yes	No – no operator shall allow any person to consume alcoholic beverages	No – no operator shall allow any person to consume alcoholic beverages
<b>Other regulations</b>	– No person allowed to drink alcoholic beverages (unless premises is licensed under the Liquor Control and Licensing Act) or consume any drugs on the premises.	N/A	– No person shall consume any drugs or take part in any gambling while on the premises. – No machines that redeems successful play with money or prizes that can be	– No person shall consume any drugs or take part in any gambling while on the premises. – No machines that redeems successful play with money or prizes that can be

	<b>Games Room</b>	<b>Arcades</b>	<b>Entertainment Centre</b>	<b>Family Sport and Entertainment Centre</b>
	<ul style="list-style-type: none"> <li>- Operator cannot allow any person on the premises to take part in any gambling, swearing, or use of offensive language, or fight, or create any kind of disturbance</li> <li>- No operator shall do anything or neglect to do anything that may cause the games room to become a place of vice, drunkenness, profane swearing, or indecent, obscene, blasphemous or grossly insulting language, or other immorality and indecency.</li> <li>- Operator must keep premises clean and shall not cover any windows in a manner that prevents a clear view of the premises.</li> <li>- Operator must post in a conspicuous place, a summary of the rules of conduct for customers</li> </ul>		<ul style="list-style-type: none"> <li>redeemed for money on the premises</li> <li>- No prize games permitted if the outcome of such game is determined by chance or mixed chance and skill</li> <li>- Operator must keep premises clean, shall not cover windows and shall not enclose individual activity areas in a manner which prevents views into the area.</li> <li>- Operator must post in a conspicuous place a summary of the rules of conduct for customers.</li> </ul>	<ul style="list-style-type: none"> <li>redeemed for money on the premises</li> <li>- No prize games permitted if the outcome of such game is determined by chance or mixed chance and skill</li> <li>- Operator must keep premises clean, shall not cover windows and shall not enclose individual activity areas in a manner which prevents views into the area.</li> <li>- Operator must post in a conspicuous place a summary of the rules of conduct for customers.</li> </ul>