City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Matthew J. Fertal From: Joseph M. Polisar

Dept.: City Manager Dept.: Police

Subject: SIX-MONTH REVIEW OF CAN Date: September 22, 2009

RESTAURANT CONDITIONAL USE PERMIT CUP-253-08 CONDITIONS

OBJECTIVE

To provide City Council with information regarding the past six months of activity at the CAN Restaurant, located at 14241 Euclid, and evaluate the owner/operator's compliance with the approved conditions specified in the Conditional Use Permit (CUP).

BACKGROUND

On March 24, 2009, City Council determined that the owner/operator of the CAN Restaurant should be given one additional opportunity to prove she can operate the restaurant in compliance with the revised "Conditions of Approval" of the CUP. City Council directed staff to provide a six-month review of activity and an evaluation of the owner/operator's compliance to the agreed upon conditions of the CUP.

DISCUSSION

Since March 24, 2009, the Police Department has responded to six (6) service calls at the CAN Restaurant. Four (4) calls were for disturbances and two (2) calls were for an audible burglary alarm. There have been no identified "promotional events" at the CAN for the last six months and the CAN appears to be operating exclusively as a restaurant. Patronage at the CAN seems greatly reduced. Officers report it is not uncommon to see only 10-15 customers in the business during the evening.

Several notable conditions of the CUP have not been met during the prescribed time frame. These conditions are:

 Condition 12 – By June 1st of each year the owner shall provide to the Community Development Director an audited report of sales ratio of food to alcoholic beverages for the establishment's immediately preceding fiscal year. As of September 16, 2009, the owner has not submitted this report. Condition 17 - The owner/operator shall not lease space, enter into any agreements with promoters or otherwise allow the facility to be used by promoters for the purpose of promotional events such as live bands, flier events, exotic dancers, fashion shows and special entertainers. On August 25, 2009, Police personnel saw several large banners displayed in the southcentral portion of Garden Grove advertising the "Miss Café Beauty Pageant" at the "CAN Nightclub" on September 27, 2009, at 3:00 p.m. Staff met with Ms. Tieu and expressed concerns over the advertised event. explained she is allowing a photographer to use her business on September 27, 2009, for the sole purpose of obtaining signatures from waitresses who wish to compete in the beauty pageant. The advertising banners also use an Internet web site of "MissCafeBolsa.com." Staff viewed the website and it shows various young Asian women in bathing suits and underwear similar to exotic dancers. Ms. Tieu claimed there would be no pageant at her business, however she was placing all responsibility for whatever event may occur on the photographer.

On September 16, 2009, staff examined the "MissCafebolsa.com" website and the advertising is in conflict from what Ms. Tieu said. The website is stating all applications must be submitted by September 25, 2009, and advertises the pageant will occur on Sunday, September 27, 2009, at 3:00 p.m. at the "CAN Nightclub." The website also encourages patrons to reserve tickets in advance for the event. This event would be in violation of this condition.

Condition 33 - The owner/operator shall comply with the terms, conditions and spirit of the CAN Restaurant Security Plan submitted to City Council at the March 24, 2009, Public Hearing by the owner's attorney. Since the March 24, 2009, Public Hearing there has been minimal security present at the CAN Restaurant. Officers have documented three (3) occasions over the past six months where one or two security officers were present. Typically, there are no security officers on the premises. Staff has met twice with Ms. Tieu to discuss her lack of security. At the first meeting, Ms. Tieu explained her customer base had dropped significantly and she did not think she needed the security specified in the plan. Based upon her lack of clientele, staff agreed the submitted security plan was too cumbersome and asked Ms. Tieu to prepare a revised security plan for consideration based on the change in her business. Approximately two months later, staff again met with Ms. Tieu because no security plan had been submitted. As well, there were questions needing resolution involving a partition wall that separates the dining portion of the business from the dance floor. The partition wall issue was resolved and Ms. Tieu has completed the required height correction to the partition wall but must still complete the extension of the wall to the east side of the business and install an approved door with panic hardware.

CAN RESTAURANT SEPTEMBER 22, 2009 PG. 3 of 3

Deputy Chief Raney, at Ms. Tieu's request, provided her with a suggested security plan that reflected the change in the number of patrons at the establishment. The plan basically required a licensed security guard to be present when more than 50 customers were at her establishment and required additional security personnel on an upwardly sliding scale when the number of patrons increased. On September 11, 2009, Deputy Chief Raney received a letter from Ms. Tieu (attachment 1) expressing concerns in retaining a security firm to fulfill the proposed security requirements and stating guards hired by the CAN can be better trained to maintain her business standards. The letter does not define what Ms. Tieu specifically intends to do with regards to providing security. Therefore, Ms. Tieu has not complied with the security plan that was presented to City Council on March 24, 2009, and she has not submitted any meaningful alternatives that staff can discuss with her in order to present to City Council.

 Condition 39 – The business shall provide proof to the Police Department that all members of the business staff have completed the LEAD (Licensee Education on Alcohol and Drugs) training through the Alcohol Beverage Control Department. As of September 16, 2009, Ms. Tieu has not provided any proof of completion to the Police Department.

COMMUNITY VISION

The conditions of this Conditional Use Permit support the vision of a safe community.

RECOMMENDATION

It is recommended that the City Council:

Receive the information submitted and take this matter under consideration.

Recommended for

Matthew Fertal

JOSEPH M. POLISAR CHIEF OF POLICE

By: Kevin J. Raney

Deputy Chief

Attachment 1: Letter dated September 8, 2009, from Ms. Tieu