

BUSINESS LICENSE REVIEW BOARD

OCTOBER 3, 1985

WEST HOLLYWOOD PARK

CALL TO ORDER:

The meeting of the Business License Review Board was called to order at 7:32 P.M., for the purpose of conducting hearings on the business license applications of Imperial Gardens, Glitter, and The Rose Tattoo.

Present: Terrigno, Viterbi, Schulte,
Mayor Heilman

Absent: Albert

Also Present: City Manager Brotzman
City Attorney Jenkins
Director of Community
Development, Mark
Winogron
Captain James Cook of
Sheriff Station

By consensus of the Council, it was decided that each applicant would be allowed to speak for five minutes, and each member of the public for two minutes.

1. IMPERIAL GARDENS

There was a staff report by Mark Winogron, Director of Community Development:

The applicant has applied for an entertainment, dance and public eating license for Imperial Gardens Restaurant, at 8225 Sunset Boulevard. The entertainment and dance licenses require a public hearing. The application has been reviewed by the appropriate City and County agencies, including the Planning Department, Building Department, Fire Department, Health Department, and Sheriff's License Detail. The restaurant has had a change of ownership, and therefore requires the issuance of a new business license. The staff recommendation is that the licenses be granted subject to four conditions of approval:

Imperial Gardens
(continued)

1. Compliance with the City's Building and Safety Code;
2. The licenses shall be temporary for 90 days until compliance with codes is met, then for one year from day of approval;
3. Compliance with Fire Department provisions within 90 days;
4. Compliance with the Floor Plan submitted to Regional Planning.

The City Attorney reviewed the conditions for approval or denial of business licenses in general:

The grounds for denial of an entertainment license are:

1. Non-compliance with building codes;
2. Any false statement.

The grounds for denial of a dance license are:

1. The business being unlawful;
2. Constituting a public nuisance;
3. Applicant not fit to be trusted due to moral character or bad reputation;
4. Applicant has committed action that would be grounds for discipline under the business license ordinance;
5. Denial of license in the past;
6. The business itself is detrimental to the public interest.

The Deputy City Clerk reported on the noticing of the public hearings: Notice was advertised by a display ad in the West Hollywood Paper on September 19, and was posted at the Sheriff Station, Plummer Park, the Library, and City Hall. Notices were mailed to residents of the surrounding block of each of the three businesses on September 25; the owners were notified by mail on the same date; and copies of the agenda materials were mailed to each of the applicants on September 26.

Imperial Gardens
(continued)

The hearing was opened for testimony from the public. There was one speaker.

Ronald Hirano, 808 N. Spring Street, Los Angeles, representative for the applicant: Mr. Hirano stated that, for the record, the owner of the business is a corporation, Imperial Restaurants, Inc., not an individual. The applicant has no problem with complying with the conditions for approval. Mr. Hirano requested a provision for extension of the 90-day period for compliance with codes if it becomes necessary, because the restaurant is in the midst of remodeling.

There being no further speakers, the audience phase of the hearing was closed.

There was a discussion regarding fire department regulations and parking provisions. Mr. Winogron stated that the fire department requires one additional exit.

ACTION: To approve staff recommendation to grant a 90-day license until compliance with codes is met.
Motion by Schulte, seconded by Terrigno.
AYES: Terrigno, Viterbi, Schulte,
Mayor Heilman
NOES: None
ABSENT: Albert
Motion carried.

2. GLITTER

There was a staff report by Mark Winogron:

The applicant has applied for Entertainment, Dance, and Public Eating licenses for the Glitter establishment at 9000 Sunset. The only licenses up for review are general entertainment and dance.

Five agencies have reviewed the application: Planning, Building and Safety, Fire Department, Health Department, and Sheriff License Detail. The Department of Regional Planning has recommended a number of conditions be met if license is approved: 1) compliance with plot plan already approved, 2) that live entertainment be that of a piano bar, 3) that there be 80 parking

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spaces, 15 for employees, 4) occupant load not exceed 199 persons, 5) hours be from 11:00 a.m. to 2:00 a.m., 6) that there be a sign plan approved by the City, 7) signs posted indicating there is validated parking on-site, 8) a lease agreement showing that 80 parking spaces were available for this operation.

The Sheriff's Department is recommending denial. The policy of the city staff is that when any of the agencies reviewing the application is recommending denial, the recommendation of the staff is denial.

Captain James Cook of the Sheriff's Station presented a brief history and background of the Glitter establishment, explaining the reasons for their recommendation of denial: He also asked the Councilmembers to refer to a packet which each of them was given from the Sheriff's Department, containing a "Statement of Issues."

(Summary of Report by James Cook):
Demitrius Johnson was first licensed in 1975. At that time the establishment was called the Disco 9000, and was in the same building but on the 16th floor. As a consequence of some criminal involvement, he was forced to give back the license to Alcoholic Beverage Control, which took place on October 4, 1979.

In 1982 an operation came into being called Casting Call, and lasted until June, 1983. There were some problems, but they were minor.

On 2-2-84, a J. Daniels took over, and converted the A.B.C. license to a private club license. At that time there were protests from citizens in the area and conditions were applied to the license. From 2-2-84 to July 1, 1985, the City and County business licenses and State Alcoholic Beverage Control license were in the control of J. Daniels. However, on 12/18/84, Demitrius Johnson signed a lease with J. Daniels. On 5-24-85, A.B.C. investigators entered the premises and cited numerous violations, including no free parking, no sign reflecting validated parking, non-members permitted to enter Club, and problems with the purchase of liquor and documents obtained. In April,

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1985, the location began to be referenced as Glitter. A change in name without notifying the Sheriff's Department in writing is a violation of the West Hollywood Municipal Code. On or about May 24, 1985, when two A.B.C. investigators entered the premises, they were required to pay for parking and were refused reimbursement--a violation of conditions of the license, which required 70 off-street parking places. Also there were no signs posted in a conspicuous place indicating validated parking. Although the license indicated that it was a private club, the investigators were not asked for membership cards, but were asked to pay \$6 each to enter. Alcoholic beverages had been purchased from other than bona fide wholesale dealers, and numerous documents reflected the name of Demitrius Johnson. The on-site manager, Wolfgang Klutz, indicated that Johnson was the owner.

It is the Sheriff's Department's contention that Demitrius Johnson was part and parcel of the operation under the name of J. Daniels for a long period of time, constituting hidden ownership, and during that time there were numerous violations that caused an impact on the community. The Department is not opposing the entertainment license, because of the narrow grounds allowed for denial, but is opposing the dance and public eating licenses.

There were questions put to staff by the Council. Councilmember Viterbi asked what was the staff recommendation. Mark Winogron stated that the recommendation is that the entertainment license be approved subject to the conditions of the Conditional Use Permit granted by Regional Planning, but that the other two, dance and public eating, be denied.

There was testimony from Geraldine Green, of 1925 Century Park East, counsel to Demitrius Johnson.
(Summary of statements by Geraldine Green):

Was handed the Statement of Issues that night for the first time, and there were allegations in it that were not raised previously. The Sheriff's Department

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had brought up criminal charges which they knew had been expunged. She has a copy of the current license, approved August 15, 1983, which included dance and entertainment.

The gist of Mr. Johnson's defense is that, as indicated in the Statement of Issues on page 3, the conditions which were a part of the license were not attached to or kept with the license, a violation of A.B.C. regulations, and Mr. Johnson was not aware of the conditions.

Johnson agreed to purchase the license in December '84 from J. Daniels. The agreement provided that Johnson would acquire the license at the end of a year. There was no transfer of the license at the time of the agreement because Johnson did not pay Daniels at that time. Johnson also agreed that he would become liable on the lease, because at that time J. Daniels was in financial trouble, and the landlord was not anxious to have J. Daniels extend the lease. At that time Johnson was given a copy of the license without the conditions attached. He was not aware of the conditions. He entered the club and started managing it; was essentially an employee. He was not the owner at that time, which is why Daniels did not give him a copy of the full license.

There is no denial that the violations took place, but there is concern that the club remained open as long as it was in the name of J. Daniels, but came close to forced closure upon the transfer to Demitrius Johnson.

There was a letter sent to NAACP by Mayor Heilman in which he stated he had not received one single communication from people in support of the club, however more than 100 letters were sent to City Council in support of the club. Only 16 of these were turned over.

There have been many misstatements concerning the circumstances surrounding this transfer, such as that liquor was served without a license.

On August 25th Johnson held a meeting at the club and invited the people who were protesting in an effort to resolve the complaints. As a result, he sent a letter to City Council setting forth the conditions

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which were agreeable to him. Those conditions he was willing to accept are substantially the same as those conditions the Sheriff's Department indicates that they would recommend in the event a license is granted.

Glitter is the only club in the area required to have free parking. Johnson went out on his own and got 200 parking spaces.

He found out the conditions for the first time in May when an investigator came in and left a copy of the license with the conditions. He voluntarily closed the club down in June to reassess his position. At that time he started negotiations with the landlord to obtain additional parking, which he did at a cost of \$2000 a month.

It was not until July of 1985 that the actual agreement to purchase was entered into with J. Daniel's trustee, and that was after the club had actually closed at the end of June. The posting was in July and the agreement was signed with the bankruptcy trustee in July.

(Ms. Green submitted a document to the City Council, which is part of the records, titled "Offer to Sell Liquor License, Personal Property, and to Compromise Claims," an offer by the trustee for J. Daniels to sell a liquor license to D.A.A., Inc., dated July, 1985, but unsigned.)

Ms. Green stated that Johnson is now the person responsible and has no problem complying with the conditions of the license. She reiterated that the previous license was for both dance and entertainment.

Councilmember Terrigno asked Ms. Green if, in the event a probationary license is granted, there would be a signed agreement to voluntarily cease operations if conditions were not complied with. Ms. Green agreed.

The City Attorney pointed out that when the County Business License Commission granted dance and entertainment in 1984, it violated the conditions of the CUP granted in 1982 by the County Regional Planning Department. The controlling

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document is the CUP. (Conditional Use Permit)

The following were other speakers
in favor of Glitter:

Demitrius Johnson, owner, 9000 Sunset Blvd.

Al Bacon, 8250 Fountain Ave.

Al Jarreau, 1354 Londonderry;

Willis Edwards, 1680 N. Vine: from Beverly
Hills-Hollywood NAACP. Here to stand
behind Demitrius Johnson.

Wolfgang Klutz, Manager;

Susan Jarreau; 1354 Londonderry;

John Wiggins, 8996 Norma Pl.;

Richard Beebe, 10746 Francis Pl., #238;

Jacqueline Adams;

Kevin Smith, 204 Screenland Dr., Burbank:
Frequents clubs in West Hollywood;

L.D. Green, 8400 De Longpre, #103;

Connie Watson, 1680 N. Vine St.;

Robert Dennis, 1354 Londonderry Pl.;

Kiara Walbridge, 3450 Sawtelle, #139;

Ed Tate, 8664 Holloway.

The following persons also spoke, either
against the license for Glitter or against
the nightclubs in general:

Lester Hirsch, 1022 Hilldale: nightclub
problem;

Budd Kops, 969 N. Larrabee St.: not a
question of race;

Ken Rice, 1018 Hilldale: too much noise
from nightclub people;

Bill Miller, 1133 N. Clark: asked moratorium
on future business licenses;

Bernard Siegel, 8919 Harratt: race not the
issue; should be bond to cover legal fees;

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Jeanne Dobrin, 9000 Cynthia: disbelieved the parking claims;

Georgia Johnstone, 1010 N. Hilldale: would like it studied carefully; gets frightened; can't get into driveway; people in hedges; can't point the finger at any particular nightclub; will there be conditions adhered to;

Jack Carey, 1010 Hammond: At 2:00 a.m. everybody gets into cars, becomes Indianapolis 500;

Blossom Weiner, 936 Hammond: Too many clubs; asked if instrumental music includes drums;

Brenda LaRue, 1209 Ozeta Terrace: spooky to live alone.

The audience phase of the hearing was closed at 9:40 p.m., and there was Council discussion.

Councilmember Schulte asked Mark Winogrand about the possibility of allowing tentative conditions. Mr. Winogrand stated that traditionally, it is more difficult to grant a license and then revoke it. Revocation is a lengthy process, during which time the operation will continue to operate.

Councilmember Viterbi asked to hear from a representative from the Alcoholic Beverage Control Board, Michael Naudon.

Mike Naudon, Licensing Supervisor, A.B.C.: The Alcoholic Beverage Control Board requires a manager to have same qualifications as the licensee; Johnson was never introduced to A.B.C. as the manager. The fact is the applicant here is a corporation; will have a bearing on issuance of license (false ownership, undisclosed); official stance of A.B.C. is that there will be no issuance of license.

Councilmember Terrigno advised that Glitter should be issued a temporary 90-day license with conditions imposed and there be a written agreement that it would close if conditions were not complied with.

Councilmember Schulte stated there were two almost irreconcilable problems: 1) a commercial district that imposes on a residential area, and 2) a business's

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right to exist. Schulte stated that he would like to see temporary conditions with a six month review, that 90 days is not long enough; to include a written lease for spaces; required valet parking; signs posted for parking; and the business should have responsibility for patrolling of the surrounding neighborhood.

Councilmember Viterbi stated there is a need to buckle down on all clubs; it would be difficult to revoke the license if they did not comply. He said he would find it difficult to vote for a license at this time. Mayor Heilman agreed and said he felt it should be denied.

Councilmember Schulte suggested that there be a 10-day period for response from Ms. Green, Johnson's attorney.

Geraldine Green said she would like to prepare a written response for reconsideration at the next meeting.

Councilmember Terrigno asked that staff come back with membership rules for clubs. She also suggested that all businesses be asked to post conditions of use with the license, in the business, so that the person operating the business can be aware of them. She also asked the City Attorney to give advice regarding a written agreement with Glitter if a temporary license is granted.

Councilmember Schulte requested that staff come back in two weeks with standards for enforcement in regard to nightclubs in general. Mark Winogron responded that it would be difficult to give a comprehensive recommendation in that short a time.

Councilmember Viterbi requested Ms. Green to bring evidence in writing to the Council, if she could, to show that Johnson was removed from the ownership, management and operation of the club during the period that there were violations.

By consensus of Council, it was decided to continue this item for two weeks, until the meeting of October 17th, so that all the Councilmembers would be present to vote.

At 10:35 P.M., Council took a recess.
The Council reconvened at 11:00 P.M.
for the hearing on Rose Tattoo.

3. ROSE TATTOO

655 N. Robertson Blvd.

There was a staff report by Mark Winogron: The restaurant is under new management and requires a new license. The only license up for review is the General Entertainment License. The application was reviewed by the same five agencies (Planning Department, Building Department, Fire Department, Health Department, Sheriff's License Detail). The staff recommendation is to grant a temporary license for 90 days to allow time to apply for a variance for tandem parking and landscape deficiency, and for the use to comply with the floor plan submitted to Regional Planning.

ACTION: To approve the staff recommendation.

Motion by Terrigno seconded by Schulte.

AYES: Terrigno, Viterbi, Schulte,
Mayor Heilman

NOES: None

ABSENT: Albert

Motion carried.

Direction was given to staff to bring back to Council recommendations regarding conditions for operating and maintaining business license permits for entertainment establishments, at the November 7th meeting, with respect to the following considerations: parking, noise on streets, activity after hours, maintaining grounds, patrolling the area, etc.

The Business License Review Board was adjourned at 11:15 P.M.