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**CITY OF OAKLAND**  
2012 APR 12 AM 8:10  
AGENDA REPORT

TO: Oakland City Council Public Safety Committee  
ATTN: Pat Kemighan, Chair  
FROM: Council Member Rebecca Kaplan  
DATE: April 24, 2012

**RE: AN ACTION AMENDING OAKLAND MUNICIPAL CODE CHAPTER 5.12  
"CABARETS" TO EXTEND THE PILOT EXTENDED HOURS PERMIT  
PROGRAM THAT IS DUE TO SUNSET DATE ON APRIL 2012, TO SUNSET IN  
MAY 2014.**

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**SUMMARY**

On April 20<sup>th</sup>, 2010 the City of Oakland adopted an amendment to The Oakland Municipal Code Chapter 5.12.04 allowing the issuance of extended hours permits to cabarets within the Central District to remain open past 2 a.m. through a two year pilot program.

Under OMC 5.12 no patrons are allowed to remain on the premises of a cabaret after 2 a.m. The \$5,000 extended hour permit issued through the City Administrator's office allows business patrons to leave at a time of their choosing, moderating their pace of consumption and ensuring that they are not drinking until 2:00 a.m. and walking to their cars and driving shortly after. It also ensures that clubs and bars in the central district are not creating a mass exodus at 2:00 a.m., but instead typically have patrons leaving between 2 and 4:00. Businesses report that no money is actually made after hours, as there are no sales, but being open after hours attracts clientele from a broader radius ( San Francisco, LA, Sacramento, San Jose) which results in more sales generally for these businesses.

The legislation allows for a maximum of 10 extended hour permits, at this time there are three businesses in the Central District that have permits. The permits are revocable, and business owners are liable for excessive police costs related to enforcement.

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## Chapter 5.12 - CABARETS <sup>131</sup>

<sup>(3)</sup> Editor's note— Ord. No. 13006, § 4, adopted May 4, 2010, amended chapter 5.12 in its entirety to read as herein set out. Formerly, chapter 5.12, §§ 5.12.010—5.12.050 pertained to similar subject matter, and derived from the prior code, §§ 5-4.05—5-4.08; Ord. No. 11918, adopted 1996; Ord. No. 11944, adopted 1996; Ord. No. 12113, § 1, adopted 1999, and Ord. No. 12855, § 4, adopted 2008.

### Sections:

- 5.12.010 - Definitions.
- 5.12.020 - Permit required.
- 5.12.030 - Cabaret permit process.
- 5.12.040 - Extended hours permit process.
- 5.12.050 - Application review process.
- 5.12.060 - Regulations.
- 5.12.070 - Booths and entertainers.
- 5.12.080 - Permit fee.

### 5.12.010 - Definitions.

#### As used in this Chapter:

A. "Cabaret" shall be construed to include any place where the general public is admitted, for a fee, entertainment is provided, and alcohol is served. A place that does not charge for admission but where the general public is admitted, alcohol is served, dancing is permitted, and the venue operates past 11:00 p.m. shall also be construed as a cabaret.

B. "Disqualifying offense" means any offense which disqualifies an applicant from obtaining a permit pursuant to this Chapter or which mandates revocation of the permit if the offender already holds a permit. Disqualifying offenses are:

1. Conviction, plea of nolo contendere, plea bargain, or forfeiture pertaining to any felony offense involving the sale of a controlled substance specified in Sections 11054, 11055, 11056, 11057 or 11058 of the Health and Safety Code of the State of California;
2. Conviction, plea of nolo contendere, plea bargain, or forfeiture on a charge of committing a violent crime or a crime of dishonesty, fraud or deceit with an intent to substantially injure another.

(Ord. No. 13006, § 4, 5-4-2010)

### 5.12.020 - Permit required.

A. It is unlawful for any person to own, conduct, operate or maintain, or to participate therein, or to cause or to permit to be conducted, operated, or maintained, any cabaret in the City unless the cabaret has paid the annual permit fee, holds a valid permit with the Office of the City Administrator, and has met any other permit

requirements developed by the City Administrator, including but not limited to those put forth in Section 5.12.030. A proposed cabaret may be excluded from obtaining a permit for failure to meet requirements of the City building code, City fire code, City planning code, this Code and/or any violation of State or local law relevant to the operation of cabarets. Cabaret permits are not transferable. The application for such permit shall set forth the fact that the proposed location of such cabaret is not within 300 feet of any church or synagogue or any building in use as a place of public worship or school or public library. This requirement may be waived only if the City Administrator makes written findings that the cabaret will not have a negative impact on City resources, public safety and neighborhood quality of life.

B. A cabaret permit may not be issued and an existing permit may be suspended to any cabaret where any owner(s), operator(s), or other party with an interest in the cabaret has committed a disqualifying offense as defined in Section 5.12.010 and/or violated any provision of this Chapter that has resulted in a suspension or revocation of any permit issued under this Chapter, or violated a similar law in any other jurisdiction within the past five years that has resulted in a suspension or revocation of a permit under that law.

C. Notwithstanding any other provisions of this Chapter, the cabaret must comply with all applicable requirements, including but not limited to any Conditional Use Permit ("CUP") and State of California Department of Alcoholic Beverage Control ("ABC") requirements. Any ABC licensed business and/or CUP that currently does not offer entertainment (and would like to offer entertainment) shall revise its ABC license and/or CUP to include a condition that permits entertainment activities, if applicable.

(Ord. No. 13006, § 4, 5-4-2010)

#### 5.12.030 - Cabaret permit process.

A. A business that conducts cabaret activity shall be allowed to conduct such activity under the following conditions:

- (a) The business applies for and is approved by the City Administrator for the cabaret permit;
- (b) The business maintains the permit by paying the annual fee;
- (c) The business successfully completes an annual inspection by the Fire Department;
- (d) The business does not create a public nuisance, adversely affect the health, safety, and general welfare of the public, or negatively impact City resources. A determination of such public nuisance, adverse affect, or negative impact shall be made only after a public hearing conducted according to the requirements of Chapter 5.02

The cabaret permit fee shall be specified in the master fee schedule.

B. A cabaret permit application may be denied or an existing cabaret permit suspended or revoked on the basis of a disqualifying offense, as defined in this Chapter, or any basis for permit denial, suspension, or revocation specified in Chapter 5.02. Such denial, suspension, or revocation shall be in writing, specifying the reasons for the decision. A business whose permit is denied, suspended, or revoked may request a hearing to show cause why the permit should not be denied, suspended, or revoked. The hearing shall be conducted according to the requirements of Chapter 5.02

C. In addition to suspension, revocation or denial of a cabaret permit pursuant to Subsection B., a cabaret establishment creating a public nuisance may be subject to other penalties and enforcement actions, including but not limited to civil penalties and administrative citations pursuant to Title 1 of this Code.

(Ord. No. 13006, § 4, 5-4-2010)

**5.12.040 - Extended hours permit process.**

- A. An extended hours permit shall be required for cabaret operation between the hours of 2:00 a.m. and 5:00 a.m.
- B. The pilot extended hours permit program will commence on May 30, 2010, or as soon as practicable thereafter, with all applications due by June 11, 2010. Following the public hearings process, all permits will be issued on July 30, 2010 for an 18-month period. After the initial 18 months, Permits can be extended for an additional two years for those business that seek renewal and the application period open and made available other interested businesses. The the pilot program will end in June 2015.
- C. A maximum of ten extended hours permits shall be issued during the two-year pilot program in the City's Central District (defined as within the boundaries of 1-980 and Brush Street to the west; 27th Street to the north; Harrison Street/Lake Merritt and the Lake Merritt Channel to the east; and the Estuary to the south) per Oakland Planning Code Subsection 17.102.210 B.1.a.
- D. The permits shall be issued at the discretion of the City Administrator or his/her designee to existing cabarets in good standing following a public hearing conducted according to the requirements of Chapter 5.02, and based on an evaluative point system that takes into consideration the operating history and business practices of the applicant, and any other factors that is deemed necessary to the peace, order and welfare of the public. Such issuance shall factor into consideration and give great weight to the recommendation of the Chief of Police or his/her designee. A proposed extended hours permittee may be denied for failure to meet requirements of the City building code, City fire code, City planning code, this Code, any violation of State or local law relevant to the operation of cabarets.
- E. The City Administrator shall establish conditions of approval, including but not limited to a security plan, parking plan, and set hours of operations. Set hours may be adjusted only pursuant to 30 days notification to and approval by the City Administrator's Office.
- F. Permittees must submit a monthly calendar of events to the City Administrator's Office and to the special events unit of OPD. Calendars shall be submitted 30 days in advance.
- G. The permit shall be subject to suspension or revocation according to the standards of Chapter 5.02, and the owner/operator shall be liable for excessive police costs related to enforcement. The Chief of Police, in his or her discretion, may immediately suspend, and recommend for revocation, such permit for any reason for which the granting of such permit might be lawfully denied, to protect the person and property of patrons of the location, or to protect the safety and welfare of the general public. Such suspension shall last no longer than is practically necessary to schedule a due process hearing on the merits of the revocation and the recommendation by the Chief of police or his/her designee to revoke the permit. A hearing to show cause must be held within ten business days from the date of suspension, except that such suspension cannot exceed ten days. If such suspension was the result of violent crime, narcotic related crime, melee, or gang activity emanating from or occurring on the premises the suspension shall not be removed until a final decision from the hearing officer has been rendered. All other suspensions may be removed prior to the hearing if the hearing cannot be held within ten days although the decision of the hearing officer may include additional suspension or revocation of the permit.
- H. The application fee and annual fee for the extended hours permit shall be specified in the master fee schedule.
- I. A business whose extended hours permit is denied, suspended, or revoked may request a hearing to show

cause why the permit should not be denied, suspended, or revoked. The hearing shall be conducted by an Administrative Hearing Officer, as defined in Chapter 5.02

(Ord. No. 13006, § 4, 5-4-2010)

**5.12.050 - Application review process.**

A. Application Filing. All applications for cabaret permits and extended hours permits-issued pursuant to this Chapter, including renewals, shall be filed in the Office of the City Administrator. Applicants must acknowledge receipt of cabaret operating regulations and conditions, and submit proof of fire inspection, health inspection and permit, business tax license, ABC license and conditions, and zoning clearance prior to issuance of permit. The City Administrator shall receive any fee required for the application, ensure that the application is complete, and refer the application to the Chief of Police for investigation, review and recommendation.

B. Investigation for Extended Hours Permits and New Cabaret Permit Applicants. The City Administrator shall refer the application to the Chief of Police who shall conduct background investigations on all applicants requesting extended hours permits. Where the applicant(s) is any type of association, partnership, corporation or other entity, background investigations of all publicly named or registered persons, officers, directors, managers and shareholders within those entities shall be conducted as appropriate. The applicant shall be fingerprinted and photographed and consideration shall be given to their criminal record, if any. After reviewing the information obtained, the Chief of Police shall transmit in writing any recommendation or findings from the investigation to the City Administrator and shall give particular consideration to the safety and general welfare of the public. The City Administrator shall also refer the application to other city and county agencies as appropriate and warranted to ensure compliance with existing state, county and local laws.

(Ord. No. 13006, § 4, 5-4-2010)

**5.12.060 - Regulations.**

It is unlawful for any person operating a cabaret under the provisions of Section 5.12.020, or any cabaret whatsoever, in the City, or any agent, employee or representative of such person to permit any breach of peace therein or any disturbance of public order or decorum by any tumultuous, riotous or disorderly conduct, or to permit such cabaret to remain open, or patrons to remain upon the premises, after 2:00 a.m. unless the cabaret has on file a current extended hours permit with the Office of the City Administrator.

(Ord. No. 13006, § 4, 5-4-2010)

**5.12.070 - Booths and entertainers.**

It is unlawful for any person operating a cabaret under the provisions of Section 5.12.020, or any cabaret whatsoever in the City, or any agent, employee or representative of such person, to erect, construct, maintain, or cause or permit to be erected, constructed or maintained, within such cabaret any private rooms, booths or compartments, or any closed stalls, or any alcoves of any nature, so arranged that the entire inner portion of the same shall not at all times be visible; or to permit any conduct in such place prejudicial to public morals, or to permit any entertainment in such cabaret, except that which is furnished by entertainers employed by the management of such cabaret.

(Ord. No. 13006, § 4, 5-4-2010)

**5.12.080 - Permit fee.**

Every person conducting, managing or maintaining the business of a cabaret in the City shall pay a permit fee

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specified in the master fee schedule annually in advance, and shall keep a copy of the business tax certificate issued by the Business Tax Office, together with a copy of the cabaret permit issued, and where applicable, the extended hours permit, pursuant to the provisions of Section 5.12.020, together with a copy of this Chapter, including the regulations set forth in Section 5.22.020 and incorporated in Section 5.12.060, posted in a conspicuous place in the premises maintained as such cabaret at all times during which such cabaret is being operated.

(Ord. No. 13006, § 4, 5-4-2010)