

**Citizens Committee to Review Alcoholic Beverage Laws (CCRABL)
Meeting Minutes**

**Truxtun Recreation Center
Meeting Room 3
June 8, 2010
6:00 PM to 8:00 PM**

Committee Members:

Whitney Chellis, Chair	Lynne Jones	Gilbert Renaut
Brian Cahalan	Ted Levitt	Denise Worthen
Chris Fox	Valerie Miller	
John Giannetti	Sean O’Neill	
Jerry Hardesty	Vic Pascoe	

Committee Resource Members:

Charles Grayston, Vice Chair

City Staff:

Jacqui Rouse

Parties of Interest:

2 members of the public

General Notes:

The **Chair** opened the meeting at 6:04 pm. The agenda for the meeting was to discuss the definition of a restaurant and the cap.

Whitney Chellis presented a summary of the zoning code provisions regarding restaurants. She stated that a change to the 50/50 rule is not in the proposed legislation, so it is not open to discussion to remove it. Under the zoning code, no hours of operation are established for taverns. The hours limit for taverns to midnight is in Title 7 and these should be moved to Title 21 and amended to allow taverns to remain open until 2AM. All the standards of operation of a restaurant and a bar/tavern should be in zoning.

As to the cap, the Anne Arundel County provisions (section 9.205 of the Rules and Regulations) should be the model for what the City ABC adopts. A full audit annually should be required for a restaurant that stays open until 2 AM to insure compliance with the 50/50 rule or you can apply to become a tavern.

A discussion of whether a CPA should have to prepare the required audits followed. **Jerry Hardesty** stated that this would be very expensive and suggested that the CPA just certify that the audit is in conformance with the tax return for the business. **Sean O’Neill** pointed out that tax returns would not show a break-down of food versus alcohol sales. **Denise Worthen** suggested

we look at what Montgomery County is doing with regard to this issue where they require a sworn statement from the license holder.

Valerie Miller suggested we leave the 1994 date in place so nothing would change for existing restaurants established prior to that date. A restaurant established after 1994 could either apply for a 2AM and maintain the 50/50 or apply for a tavern to 2AM with no limit on food vs alcohol sales.

John Giannetti stated that it is easier to apply for restaurant rather than a tavern. **Whitney Chellis** brought John up to date on what had been discussed in the meeting as he had just arrived.

Jerry Hardesty stated that he still had a strong opinion that the 50/50 should be applied, but he was ok with moving the definitions around.

Whitney Chellis stated that she would like the committee to finalize these recommendations tonight and do whatever it takes to get everyone to agree. She suggested that the group go around the table and have each person share their thoughts. **Lynne Jones** spoke and said that if everyone gave their position, we may find that we are closer in agreeing than we thought.

Valerie Miller had a hand-out. She stated that she was not sure that a tavern works well as it has such a restrictive provision regarding the serving of food. She proposed two categories: a restaurant and a restaurant/bar. One issue would be there is no provision in Article 2B for a Restaurant/Bar. She believes that the 50/50 rule should apply to all restaurants city-wide. She is in favor of the cap and believes audits should only be required if there is a protest.

Jerry Hardesty stated that he does not think it is fair if there is a protest audit that proves unwarranted that the cost of the audit should be borne by the business owner. **Valerie Miller** responded that she thought that was a cost of doing business.

Vic Pascoe spoke next and said that he liked what **Whitney Chellis** had proposed. He was concerned about currently vacant sites like Riordan's and Northwoods. **Jacqui Rouse** stated that Riordan's approvals had all expired and they would have to start over and that Northwoods had been resolved with a determination by the director of Planning and Zoning that their approval had not expired. **Vic Pascoe** favors the cap but does agree with 1/4000 person basis that is used in Anne Arundel County and other areas. The City has too large a tourist population for that to work.

John Giannetti stated that the Committee really needs to have recommendations that everyone agrees on. He is concerned that the 50/50 at any level is still a barrier. As far as trying to come up with a consensus, hospitality industry could agree to a tavern designation if there is a

favorable transition period with additional conditions (like limited menu until 30 minutes before closing; more training for employees) part of the cap would be 90 day period to apply for a 2AM from ABC, then a four year cap on 2AMs.

Whitney Chellis reiterated that the 50/50 was not on the table for discussion.

John Giannetti stated that he is proposing a cap on 2AMs in the C2 District which is different than the city-wide cap proposed by Whitney .

Charlie Grayston then spoke about options for an existing establishment in the C2, giving Castlebay as an example. They could 1) apply to ABC as a restaurant with 50/50 ration and hours until 2 Am. 2) apply as a special exception for a tavern (no 50/50) and hours until 2 AM..

John Giannetti stated that the cap does not fit into Whitney’s scheme which is much cleaner.

Chris Fox stated that he liked most of what Whitney proposed. He will never agree with the 50/50. An establishment can be a problem and be selling 50 percent food. However, he would like to address the residents’ concern that Annapolis could turn into a “Bourbon Street” or an “Ocean City”. There should be a cap on food and beverage period. This also insures that existing places have a chance of success. Downtown needs a balance of uses. The cost of a mandatory annual audit is a problem. He favors the Montgomery county requirements. The 90 day transition period is a good idea – more than fair.

Lynne Jones had a question about the 90 days – can you ask for a 2AM after that? Whitney responded yes, but you would need to obtain special exception approval for that. Lynne thinks we should massage what has been proposed in the existing legislation – people do not like the tavern designation. She believes we should have caps in certain areas. She likes the Montgomery County language on 50/50 issue.

John Giannetti suggests that an establishment that has appending special exception for a tavern does not have to comply with the 50/50 – has one year from the date of adoption of the legislation to comply.

Denise Worthen stated that we are moving in the direction of existing operations being in conformance with zoning. She agrees with the cap, but feels places applying for a 2AM should be required to obtain special exception approval, not just ABC approval. System should be as clean as possible- strongly disagrees with any grandfathering.

Whitney Chellis said that she will think about what Denise said, but is concerned that it will jeopardized that has been reached.

Denise Worthen states that we are not creating a level playing field. Denise does not understand why existing license holder would not want to change from restaurant to tavern.

Jerry Hardesty does not want to get sucked into transition – why should 15 grandfathered businesses have to change?

Denise Worthen asked how the cap would be created?

Whitney Chellis responded that it would be by the ABC and if the ZBC chose not to create any caps, then the citizens could petition the City council to require the ABC to create a cap for a certain area.

Denise Worthen said she would need time to think about that.

Valerie Miller said that the rules should be simple and consistent.

Jerry Hardesty is concerned about getting rid of too many of the provisions of the Ward One Sector Study with regard to restaurants.

Denise Worthen reminded the committee that it had been previously agreed that other recommendations of the committee (i.e. enforcement) need to be in place as part of the transition period.

Sean O'Neill spoke and said there should be a tavern category, no 50/50, pay higher fee. A restaurant should have food primarily as its product and alcohol should be incidental. The cap is necessary to preclude a proliferation downtown. The cap could be based on space. It should be automatic for existing restaurants to change to 2AM

Whitney Chellis is going to draft the recommendation for the committee and will get it back to them by the 22nd. At the next meeting on **June 15th**, **John Giannetti** will present his group's recommendations on license fees based on a \$224,000 total for all fees.

Whitney Chellis opened the discussion to the audience. **Mr. Rottner** suggests a cap on retail sales late at night; square footage rule for fees should not happen – there should be a flat fee for all licenses. **Joe Budge** wanted an explanation of what is the greater public purpose for eliminating the special exception requirement for an existing restaurant going from 12 to 2AM.

John Giannetti said that the City Council has the votes now to lift the cap with no conditions, so what has been presented is a compromise.

Closing:

The next meeting of the Committee will be June 15, 2010 at 6:00 p.m. in **Meeting Room 3**. The Committee will discuss and vote on fee recommendations

THE MEETING WAS ADJOURNED AT pm.

END