

# City of Annapolis



## **Citizen's Committee to Review Alcoholic Beverage Laws**

**Final Report  
July 15, 2010**





## **Acknowledgements**

### **Planning and Zoning Department**

*The Committee would like to thank Sally Nash, Ph.D., AICP, and Jacquelyn Rouse, AICP for their outstanding professionalism and commitment to the process. Without their encouragement and support this report would not have been possible.*

### **Recreation and Parks Department**

*A special thanks for all the meeting room coordination assistance from the staff at the City of Annapolis Recreation and Parks Department—especially Director LeeAnn Plumer and her team: JoRon Johnson, Teresa Howard, and Kenny Belt*

### **Committee Members**

*These hard-working volunteers dedicated Tuesday nights between February and July to their community, in a desire to make it a better place.*

*They are:*

*Whitney Chellis, Chair*

*Charles Grayston, esq. Ad Hoc Member*

*Vic Pascoe*

*John Giannetti, esq.*

*Sean O'Neill*

*Chris Fox*

*Gilbert Renaut, esq.*

*Brian Cahalan*

*Denise Worthen*

*Lynne Jones*

*Vincent Quinlan*

*Jerry Hardesty*

*Joe Lyon*

*Valerie Miller*

*Ted Levitt*

*Chuck Weikel*



# Table of Contents

<b>Section</b>	<b>Page</b>
Acknowledgements.....	i
I. Foreword.....	1
II. Overview.....	5
III. Liquor License Fees.....	7
IV. Liquor Licensing.....	13
V. 2:00 am Closing Time.....	31
VI. Restricted Areas.....	39
VII. Compiled Recommendations.....	43
Appendix A: R-73-09 Citizens Committee to Review Alcoholic Beverage Laws (As amended).....	47
Appendix B: Distribution of 12:00 am and 2:00 am Alcoholic Beverage Licenses in Downtown Annapolis.....	49
Appendix C: Informational Mailing to Community Groups.....	51
Appendix D: Committee Public Hearing Meeting Minutes.....	53
Appendix E: Ward One Residents' Association Testimony.....	59
Appendix F: Alcoholic Beverage License Fees Cost Analysis.....	79
Appendix G: 2008 Annual License and Revenue Report.....	81
Appendix H: 2009 Annual License and Revenue Report.....	83
Appendix I: Alcoholic Beverage Control Board/Inspector's Report.....	85
Appendix J: Committee's Proposed Simplified Fee Structure.....	87
Appendix K: R-06-010 Fiscal Year 2011 Fee Schedule.....	89
Appendix L: Liquor Board Study APD Crime Analysis 2 March 10.....	95
Appendix M: Alcoholic Beverage Licenses by Ward.....	101
Appendix N: Fifteen Restaurants in C-2 with 12:00 am Licenses.....	105
Appendix O: City of Annapolis Commercial Districts.....	107



## I. Foreword

The manufacture and sale of alcoholic beverages in the State of Maryland is governed by the Annotated Code of Maryland (1957) Article 2B. Article 2B was passed immediately upon repeal of prohibition in 1933 and establishes certain general rules applicable to the retail sale of alcoholic beverages in all 25 jurisdictions in the State of Maryland (23 counties, Baltimore City, and the City of Annapolis). Article 2B establishes rules specific to each of these jurisdictions.

In the City of Annapolis, Article 2B Section 15-107 designates the Mayor and Aldermen as the Board of License Commissioners for the City of Annapolis. In addition to the powers granted explicitly to the City, Article 2B Section 15-112 further states:

**The Mayor, Counsellor and Aldermen of Annapolis may make and enforce regulations and restrictions, in addition to, or in substitution of, those contained in this article, but not inconsistent therewith, as in their judgment would give the municipality more effective control of each of the places of business. *Article 2B Section 15-112***

In the City of Annapolis, the Mayor and Aldermen delegated this authority to the Alcoholic Beverage Control Board (ABCB).

Under the leadership of Mayor Josh Cohen and the Aldermen of the City of Annapolis, the Citizens' Committee to Review Alcoholic Beverage Laws ("the Committee") was established pursuant to R-73-09Amended (Appendix A). This 15-member committee, appointed by the Mayor and the members of the City Council, includes 5 local alcoholic beverage license holders, 10 residents and the Chairman of the Alcohol Beverage Control Board (as an ad hoc member). R73-09Amended charges the Committee with the review of the City's alcoholic beverage laws, including, the limit on 2:00 am licenses and recent (fiscal year 2010) increases in alcoholic beverage license fees.

The existing limit on 2:00 am licenses in the C2 District has been in place since the adoption of the *Ward One Sector Study* in 1994. Prior to 1994, new restaurants (and expansions of existing restaurants) were limited by the available "seat capacity" downtown, which was primarily a function of maintaining a "balance of uses." The *Sector Study* agreement represented a compromise between those wanting to be able to open new restaurants or expand existing restaurants and residents who were concerned about both maintaining a mix of uses downtown as well as the quality-of-life impact of more late-night restaurants and bars. The compromise reached was three-fold:

- Existing restaurants (with either a 12:00 am license or a 2:00 am license) would be grandfathered and allowed to continue operating as they had been prior to the adoption of the new rules;
- Restaurant capacity (both existing and prospective) would no longer be limited by the downtown seating capacity; and
- All new restaurants would be limited to 12:00 am and be subject to a sales ratio of 50/50 (food/alcohol).

Over the last several decades, the polarizing of stakeholders around issues related to liquor licenses has increased with a corresponding increase in the number of liquor licenses city-wide. Liquor licenses have been issued in seven of the eight wards (with the exception being Ward 6). In Ward 1, there are 56 licenses. Ward 8 has 21. The remaining five wards—2, 3, 4, 5 and 7—each have fewer than ten.

The 56 licenses in Ward 1, almost all within a 12-block area starting at the City Dock and culminating at Westgate Circle, constitute 52% of the 108 liquor licenses in the entire City (See Appendix B for a map of the distribution of licenses). This concentration, and its proximity to residents in the downtown area, has resulted in a deteriorating relationship between residents and license-holders. The City has failed to effectively control adverse impacts to the community—both to residential and business properties. Yet, this control and regulation of alcoholic beverages for the general welfare of the citizens is fundamental to the powers granted to the City by the State of Maryland in Article 2B (1-101b):

**It continues to be the policy of this State to authorize the exercise of the powers and authority provided by this article for the purpose of displacing or limiting economic competition by regulating or engaging in the sale or distribution of alcoholic beverages or both in order to obtain respect and obedience to law, to foster and promote temperance, to prevent deceptive, destructive, and unethical business practices, and to promote the general welfare of its citizens by controlling the sale and distribution of alcoholic beverages. Article 2B (1-101b)**

Thus, this Committee believes that the City has not only a legal, but a moral responsibility to take charge of this issue. In considering the regulatory scheme currently in place in Annapolis, (fee structure, licensing, enforcement, and zoning) it has become apparent to the Committee that it does not satisfy any of the stakeholders. It is viewed as inconsistent and discriminatory by some businesses, especially with respect to the limitation on 2:00 am licenses and the fee structure. At the same time, residents see a structure with little-to-no oversight and with ineffective tools for dealing with the adverse impacts of poorly run establishments. This in turn has created tremendous frustration.

Without anywhere else to turn, the frustration is leveled against the license-holders and the police department in general. In the judgment of the Committee, however, frustration is the result of a systemic and structural failure of the current regulatory scheme. While the failures of the current regulatory scheme have consequences everywhere in the City, they are most acutely felt in the downtown area because of the heavy concentration of liquor licenses. This Committee recognizes, however, that the alcoholic beverage license-holders may be improperly targeted as the only contributors to these problems downtown, where other factors could be part of the causes. For example, boaters docked downtown, hotel and bed & breakfast patrons returning to their rooms, weddings, and parties at residences also contribute to after-hours noise and damage in downtown residential areas. Therefore, we recommend that the City implement a set of policies that will help alleviate the negative impacts on adjacent residential communities.

In the case of licensees, the Committee has found the vast majority of establishments in the City are operated by responsible business owners. The majority of establishments recognize that it is

their responsibility under the *Rules and Regulations* of ABCB (1.11) that they must operate their establishments “...**in a manner such as to avoid disturbing the peace, safety, health, quiet and general welfare of the community and the neighborhood in which the premises is located.**” These owners implement safeguards to protect the surrounding neighborhoods from adverse impacts from their establishments. However, a few establishments appear not to have the tools or experience to manage their businesses in a responsible manner.

The City has a primarily well-intentioned group of stakeholders that include the Alcoholic Beverage Control Board, the Annapolis Police Department (APD), licensed establishments, other businesses, and residents. It is the City’s responsibility to create a robust coordinated program that will link all of the stakeholders and the City’s resources in a cooperative way. This will require change, and a tremendous commitment with tireless follow-through by the Mayor, the Aldermen, and all of the other stakeholders.

The diverse Committee membership has set forth in this report a framework that we believe will move the City forward in a responsible way. The recommendations of this report are a result of a tremendous effort, commitment, and expenditure of time by the Committee members that should not be wasted. Liquor licensing in the City has implications in zoning, land use, policing, administration, and infrastructure. This is a task much larger than originally envisioned. The recommendations in this report are collective; they are interrelated and should not be read as independent of one another. Like the stakeholders, they are intertwined.



## II. Overview

On January 25, 2010 the Annapolis City Council established the Citizens' Committee to Review Alcoholic Beverage Laws. The first meeting of the Committee was held on February 28, 2010, and the Committee continued to meet weekly into July 2010. On April 15, 2010, the Committee presented an interim report to the City Council, which reported on the success of the public outreach efforts and updated the City Council on progress and next steps. The Interim Report is available from the Planning and Zoning Department. The Committee advised the City Council of its website, which is found on the Planning Department's home page, where the agenda and meeting minutes are posted weekly.

On March 8, 2010, the Committee sent an informational mailing to an extensive list of stakeholders (Appendix C), which advised them of the Committee's website, and extended an invitation to attend the Committee meetings and public hearing. The Committee meetings were attended by approximately 40 members of the public over the course of the process and these audience members were offered an opportunity to address the Committee, when time allowed.

The Committee held a public hearing on April 29, 2010 at 7:00 in the City Council Chambers. A recording of the hearing is available from the Planning and Zoning Department (See Appendix D for Meeting Minutes). The public provided thoughtful comments on the issue of alcohol beverage licensing in the City, and provided a great overview of the interrelated issues impacting all of the stakeholders. The Ward One Residents' Association submitted written testimony, which is attached as an appendix (Appendix E). Many of the recommendations presented have been embraced by the Committee and incorporated in this report.

The task of the Committee was expansive. In order for the Committee to understand the issues, it had to gather data and review (in part): the State Code Article 2B Alcoholic Beverages; City Code Title 7 Alcoholic Beverage Licenses; City of Annapolis Alcoholic Beverage Control Board *Rules and Regulations* (Revised December 5, 2007); City Code Title 21 Planning and Zoning; and the 1993 *Ward One Sector Study*. Information and testimony were also provided by the Office of Law, the Planning and Zoning Department, the Annapolis Police Department, and the Alcoholic Beverage Control Board. The following is a list of speakers who attended meetings:

- Mayor Joshua Cohen
- Mike Mallinoff, City Manager and Former DNEP Director, City of Annapolis
- Charles Grayston, Chair of the ABCB
- Lt. Mark Seidel, Annapolis Police Department
- Cpl. Pete Medley, Annapolis Police Department
- Jacquelyn Rouse, Department of Planning and Zoning
- Dr. Wil Scott, Annapolis Planning Commission
- Tim Elliott, Finance Department Director, City of Annapolis
- Jon Arason, Planning and Zoning Director, City of Annapolis

The Committee includes members who philosophically disagree on certain issues, and, as the Committee hoped, many of those differences were bridged. However, there are two issues on which the Committee was unable to reach consensus. And as presented to the City Council in April, "where those differences are insurmountable, [the Committee has] included the dissenting opinion in the report."



### **III. Liquor License Fees**

In Maryland, liquor licenses fees for all jurisdictions are generally established in Maryland State Code Article 2B. The only exceptions are the City of Annapolis and Talbot County, which have the authority to determine their own fees. The City of Annapolis is authorized pursuant to Article 23A Section 2(33) of the Annotated Code of Maryland (in part) to “establish and collect reasonable fees and charges” for licenses associated with the exercise of a proprietary function.

#### **A. Fee-for-service**

The Citizens’ Committee to Review Alcoholic Beverage Licenses has focused on the definition of “fee-for-service” and the City’s authority to collect such a fee for liquor licenses. The question of its authority was generally settled for the purposes of the Committee after reading and discussing Note 11 of Article 23A Section 2(33) and the findings of the court case *Campbell v. Mayor and Alderman of the City of Annapolis* (44 Md. App. 525).

Article 23A, Section 2.11 states in part that “[i]f a fee is imposed as part of a regulatory scheme, [the] amount of the fee must be reasonable and have some definite relation to the purpose” and “the money collected under it must not be more than that necessary to carry out its provisions.” The City may estimate the income and expense associated with the program, but the fees collected must be “reasonable” and, again, not “more than necessary to fund enforcement of the regulation.” In *Campbell v. Mayor and Alderman of the City of Annapolis* (44 Md. App. 525) the court found that “if the fee is imposed for the purpose of regulation ... such sum is a license proper, imposed by virtue of the police power; but where it is exacted solely for revenue purposes, and the payment gives the right to carry on the business without any further conditions, it is a tax.” If the fee generates revenue for the jurisdiction, it can be considered a tax, and likely would not be allowed without a change to Maryland State law.

#### **B. Fee Increase**

The City Code Section 6.16.050(A) requires that the proposed annual budget be accompanied by a schedule of fees (that is set by resolution). All department directors are required to review the fees contained in the current fiscal year Fees Schedule that apply to their departments. If a department director finds that the cost of administering the fee differs from the current amount of the fee, the director is to propose a new fee and to provide a rationale for adjusting the amount of that fee for the coming fiscal year. The recommendations of the department directors are to be included in the proposed Fees Resolution as submitted to the City Council. In the case of the liquor license fees, the Director of Finance is currently responsible for fee increases.

The City schedule of fees in this instance (R-18-09Amended) specifically states within the body of the resolution that the schedule is “[F]or the purpose of specifying fees that will be charged for the use of City services.” This resolution, for City services in fiscal year (FY) 2010, established liquor licenses fees at a rate fifty-four percent higher (54%) than the preceding year, FY 2009. The fee schedule for City services for FY 2011 (R-6-

010) has been adopted and the liquor license fees remain the same as they were in FY 2010.

The Finance Department has provided the Committee with a cost for service analysis for the increase in alcoholic beverage license fees (not dated)(Appendix F). The analysis indicates a need for service from the Fire Department, Police Department, and support personnel in the City Clerk's Office for the administration of alcohol licenses. As presented to the Committee, the analysis indicates that man hours are the applicable formula for determining the fee-for-service. However, at the Committee meeting on April 6, 2010, the Director of Finance indicated that it was actually the number of full-time staff necessary (regardless of the number of hours specifically devoted to support of services to liquor licenses) that was used to calculate the cost of services. The estimate of staff time was supplied to the Finance Department by the APD and the AFD.

### **C. Analysis**

It appears that the information in the handout used to determine the increased (54%) fee schedule had incorrect terminology and unjustified figures. The analysis states that the City fee-for-service requires 3 full-time police officers, 2 full-time fire officers and 60% of 1 full-time administrative staff. Therefore, as stated in the schedule, the City's cost for service directly related to liquor licenses is \$376,100 for fiscal year 2010. The Committee does not accept this information as discussed below.

Based on the Alcoholic Beverage Control Board's (ABCB) 2008 Annual Report to the State (Appendix G), the City collected \$274,690 for licenses and renewals of 111 liquor licenses for the reporting period of May 2008 to April 2009. For the license reporting period of May 2009 to April 2010 (Appendix H), the City collected \$414,020 for licenses and renewals of 108 liquor licenses, or \$37,920 above that required for the fee-for-service.

The Director of Finance stated that the funds collected for liquor licenses are not placed in a designated account, but like all fees for service in the city, are placed in the general fund. This does not, however, absolve the City from utilizing the fees collected from the liquor licenses for the purpose of providing services related to liquor licenses.

The Committee has been able to identify some very limited services for liquor licenses which are performed by the City. We are aware that the APD performs a least one underage service sting per license per year. The Committee has been informed that the APD has two part-time liquor inspector positions (although one is vacant). These are contractual positions and funded through the APD budget for \$10,000 (\$5,000 each annually) with an hourly salary of \$15.00. This allows for an average of approximately 6 hours per week for each position, which allows the inspector to perform limited functions (Appendix I).

At this time, it is not evident if the inspectors routinely enforce Title 7, or to what extent they perform observations of license establishments. A routine quarterly report is filed by the inspectors with the APD, but it is not clear that these reports are utilized for

enforcement or administration of liquor licenses. The inspectors do attend ABCB meetings and regularly communicate with the members of the board.

The Fire Department's only known function that could be related to liquor licenses is their periodic inspections of any place of assembly (as authorized in City Code Section 17.20.050). "Places of assembly" would include establishments with liquor licenses as well as other types of establishments. The Fire Department has not provided any data as to the frequency of these inspections. It is the Committee's observation that the Fire Department performs inspections that are in the normal course of City business and not related specifically to the service of liquor licenses.

It is known that the current single administrative staff (Deputy City Clerk) assigned to work on liquor licenses spends significantly more time than the 60% estimated in the analysis presented to the Committee on April 6, 2010 (referenced above). Subsequent to the creation of the Committee, the Chairman of the ABCB has indicated that the Deputy City Clerk's workload attributable to liquor license administration is essentially a full-time task.

The Committee would note that the Department of Planning and Zoning does perform some limited administrative functions and application review relating to liquor license establishments and Title 7 (Liquor Licenses) requires the continued conformance to Title 21 (Zoning). This function was not included in the fee-for-service analysis.

What is apparent to the Committee is that there is no designated authority or organizational process for disseminating information or monitoring of the services provided by the City for liquor licenses. It appears that some of the information collected by the APD, the Fire Department, and liquor inspectors is not routinely referred to the ABCB, if it is referred at all.

The authority to collect fees is a privilege afforded to the City by the General Assembly. The City has a fiduciary responsibility to the residents that goes hand-in-hand with this privilege. After considering the current level of service the City provides, the Committee believes that it is unlikely that the cost for service for liquor licenses exceeds \$376,100 (Appendix F). Unless the City is able to show a "reasonable and definite relation to the purpose" it is the opinion of the Committee that the \$414,020 collected by the City for licenses and renewals of 108 liquor licenses (May 2009 to April 2010) exceeded the cost for service.

#### **D. Proposed License Fee Structure**

In the City, the license fee-for-service is paid based on the class of license and is irrespective of the specific characteristics of an individual establishment. For example a Class A2b liquor license, which is a package good store, in general, paid a license fee of \$4,620 for FY 2010 regardless of gross floor area or the amount of sales (size or sales). Therefore, a 6,000 square-foot package good store paid seventy-seven cents (.77) per square-foot and a 600 square-foot package good store paid seven dollars and seventy cents (\$7.70) per square-foot. The fee-for-service is based on cost of service regardless

of size or sales; however, it is the consensus of the Committee that there is an inherent inequity in how the cost of service is spread among the licensees.

A number of surrounding jurisdictions distribute a fair share of the cost for service based on the capacity of the establishment. Similarly, the Committee recommends a sliding scale (Appendix J) based on the occupancy for places of assembly, which could include restaurants and bars and gross floor area for package good stores. The Committee believes that this could create an equitable fee schedule and reduce the burden on smaller businesses in the city.

The increase in liquor licenses fees was effective July 2009. License renewal packages were sent out beginning February 2010. In the meantime, General Assembly House Bill 1531 was introduced to amend Article 2B to allow the license fee payment in two installments. HB 1531 was signed by the governor April 13, 2010. This action provided relief to a number of licenses holders. The Committee strongly recommends that the bifurcated ability to pay the license fee continue. Of the 108 City liquor licenses, approximately 41 licensees used the bifurcated payment option. In addition, the Committee recommends that the interval between the bifurcated payments be six months. All other license fee payments were made in full at various times during the renewal season, some as early as the beginning of February. The Committee recommends that the license holders be credited any amount that they have paid in excess of the 2008 renewal fee until the City demonstrates that the 54% increase is reasonably related to the cost of service of liquor licenses.

The Committee has evaluated the impact of the proposed fee schedule, as it would be applied to the current 108 licenses, and found that the application of this revised fee schedule would generate an amount not inconsistent with the FY 2009 fee schedule. The newly proposed fee schedule is intended to be revenue-neutral compared to the fee schedule of 2009 that generated \$274,690. Recommendations for the efficient and verifiable expenditure of these funds includes funding at a minimum for a full-time liquor inspector and one full-time administrative support staff, as discussed further in this report.

## **Recommendations**

### **Therefore the Committee recommends that the City:**

1. Revise the FY 2011 fee schedule adopted by the City Council under R-06-010 (Appendix K) in accordance with Appendix J, which suggests fees on the posted level of occupancy for places of assembly and gross floor area as set forth on the use and occupancy permit for package good stores.
2. Refer the proposed amended FY2011 Fee Schedule to the ABCB members, who will review and make recommendations to the City Council.

3. Retroactively amends the FY2010 Fee Schedule to the FY 2009 liquor fee rates under R-18-09 Amended and credit any license fee paid in excess of the FY2009 fee schedule to the license holders for payment on their FY2011 license fee.
4. Retain the ability for liquor licenses fees to be paid in a bifurcated payment. The first upon license renewal, on April 30th, and the second payment due 6 months later, on November 1st.
5. Hire one or more full-time liquor inspector and one full-time administrator, whose salary would be paid for through liquor license fees. See the Liquor Licensing Section of this report for further discussion of this topic.



## IV. Liquor Licensing

It is apparent that the issues of liquor licensing, 2:00 am closing, and the recent increase in fees for licensing (R-73-09Amended) are all interconnected and should not be dealt with in isolation. Liquor licensing has implications in enforcement, land use, and the function and responsibilities of the City government. Having the ability to enforce the laws and regulations for liquor licenses is based on an interlocking chain of responsibilities that engages the City government, the Alcohol Beverage Control Board, the Annapolis Police Department, the license-holders, and the residents. Recommendations in this section of the report include all of these stakeholders.

After gathering information from a variety of sources, including the public hearing held by the Committee on April 29, 2010, the Committee believes that an appropriate framework for transparent and accountable licensing in the city can be established. As the Committee stated in its Interim Report (April 1, 2010) presented to the City Council:

**it is apparent that the issue of 2AM closing should not be dealt with in isolation from the other issues of enforcement, land use and the ABCB.**

The desire for a comprehensive evaluation of liquor licensing in the City has resulted in an acknowledgement by this Committee that establishments could remain open until 2:00 am when supported with a robust effort that will change the approach to enforcement city-wide. In order to safeguard the stakeholders, the City must commit to a change in its current approach.

This new approach requires accountability and action from each member of an interrelated list of stakeholders with overlapping responsibilities. It is impossible to isolate the responsibilities of the stakeholders. There is an interdependency that must be reinforced continually for the recommendations of this report to succeed. The successful relationships between these stakeholders will be directly related to the success or failure of these recommendations.

### A. City Government

The City of Annapolis has a responsibility to maintain and encourage the public trust and promote the welfare of the residents and business owners. The City has at its discretion the ability to support the sweeping recommendations set forth in this report. By implementing a number of changes both large and small, there will be a significant impact on the quality-of-life issues facing residents.

This Committee recognizes that a major source of conflict between licensees and residents in adjoining communities arises from the behaviors of a critical subset of patrons who disproportionately impact the quality of life for residents. This Committee also recognizes that the licensees may be improperly targeted as the only contributors to these problems downtown, where other factors could be part of the causes. For example, boaters docked downtown, hotel and bed & breakfast patrons returning to their rooms, weddings, and parties at residences also contribute to after-hours noise and damage in downtown residential areas. Therefore, we recommend that the City implement a set of policies that will help alleviate the negative impacts on adjacent residential communities.

**1. Inspector**

The City currently employs a part-time contractual liquor inspector, administratively located within the Annapolis Police Department. Most residents and some business owners were unaware that the City had such a position. The Committee recommends a significant change in this job description.

To ensure that most of the recommendations contained in this report are implemented, it is critical that the City create at least one full-time liquor inspector position, to be funded by the liquor license fees, as discussed in the Fees Section of this report, and below. The Committee anticipates this as one of the recommendations with the most far-reaching implications. When several surrounding jurisdictions were contacted, the average number of full-time liquor inspectors to licenses was one full-time inspector to every 50 licenses. At the writing of this report there are 108 liquor licenses in the city, this would translate to approximately 2 full-time inspectors if Annapolis were to have a similar ratio.

The Director of the Department of Neighborhood and Environmental Programs met with the Committee and discussed his experiences as City Manager in Newport, RI. There, he hired two liquor inspectors who helped implement successful programs that addressed issues surrounding liquor licensing. These issues were very similar to what Annapolis is now struggling with. The Committee believes that an important factor for curbing unwanted behaviors by both patrons and establishments is a strong liquor inspector's office.

The liquor inspector would coordinate enforcement efforts on a daily basis, and would act as a liaison between the ABCB, the police, the residents, and the businesses. This "hands on" individual should be on duty during the peak periods of activity around licensed establishments during the week, and would act as a point-person for problems and enforcement issues. The inspector would be an information resource for residents, license-holders, the ABCB, and City government. The inspector would conduct observations and coordinate stings with APD. This individual would help alert and guide police to problem areas, and would act as a mediator of day-to-day issues facing the businesses and the community. This individual should be experienced and have the right skill set for understanding the issues in Annapolis. The right individual would be able to gain the respect of both the license-holders and community by building rapport with all the stakeholders. The inspector could ensure that the City's resources are efficiently and effectively deployed to minimize impacts to the residential communities.

The inspector would establish, with the coordination and input of the ABCB, the APD, the license-holders, and the residents, the procedures and methods to enforce all of the rules and regulations, including, but not limited to, enforcement of the prohibition of sales to intoxicated persons. He or she would also ensure that alcohol-to-food ratios are enforced. The inspector should be responsible for making recommendations to the ABCB and the City Council regarding legislative

amendments that will enhance the effectiveness of the inspector's office, licensing, enforcement, and coordination with the responsibilities discussed in the following paragraphs.

**2. Public Awareness**

The City should promulgate the message that bad behavior will not be tolerated in Annapolis through signage, public relations campaigns, and other media outlets. This message should be clear, unambiguous, and consistent.

**3. Parking**

The City should create a parking environment that is safe and convenient for the public. The Committee recommends that the City encourage the use of off-street parking through signage, reduced or free parking after 9:00 pm in the City's parking garages, and increase the residential parking area enforcement during peak days of the week between 9:00 pm and 2:00 am. To increase the convenience and efficiency of the garages at closing times, the City should implement automatic payment facilities for the public parking garages and provide cameras in the garages that can be monitored and used by the APD for security purposes.

**4. Restrooms**

A continuing theme of committee discussion has been the City's lack of public restrooms. One of the primary complaints of the residents is the problem of public urination and defecation on city streets and on private property. Additionally, a recent report from the APD showed the crime most cited downtown is "urinating in public" (Appendix L). It is this Committee's belief that making facilities available would help to reduce complaints by residents and allow the APD to focus on more important matters. Currently the City's only public restrooms are in the Harbor Master building, in the Market House, and in the Visitors' Center on West Street. All of these facilities are only open during normal business hours.

The lack of public restrooms available to the public during late-night hours is a testament to the lack of initiative and attention that the city government has taken to alleviate or even address this deplorable public nuisance. The City has indicated that the restrooms are not open in order to deter criminal behavior and vandalism. The effect of this, however, is that by not tackling this difficult issue, the City has placed this burden squarely on the shoulders of property and business owners. Hence, the residents direct their complaints solely toward the licensees, when the City has failed to provide a basic service.

It is not the responsibility of the businesses in the City to allow the general public to use their facilities. To the contrary, it is the City government's responsibility. The City wants to attract visitors and to encourage economic development. Part of being a good host is ensuring that restrooms are available to the public and are convenient, clean, and safe.

The City should open the Harbor Master building and the Market House restroom facilities until 3:00 am, and create a well-lit and safe environment at those facilities. The City should include at least one public restroom in any plan for the development or redevelopment of the city's parking garage facilities. Until such time that there is a permanent restroom, the City should install port-a-johns in or near the city's parking garages, with appropriate signage directing visitors to these facilities.

**5. Taxi Cab Stands**

The APD advised the Committee that a complicating factor with dealing with disorderly conduct at the bottom of Main Street is the location of the existing cab stand. The APD has indicated that their efforts are hampered when dealing with loitering in that vicinity. The retort from individuals in this general area is that they are waiting to catch a cab when asked to move on by the police. The APD has indicated that it could be a help to their efforts to stem disorderly behavior in this area if they could distinguish between those loitering and those that are waiting for a cab. The APD recommended to the Committee that the cab stand at the bottom of Main Street be relocated to the City Dock area, preferably in the vicinity of the Harbor Masters office. This would undoubtedly reinforce the Committees recommendation to open the restroom facilities at that location until 3:00 am.

This is an example of where a point-person on these issues can be a problem solver without requiring the City to set up a committee to uncover these disconnects. This is the kind of proactive recommendation that the Committee believes should and would come from a full-time liquor inspector.

**6. Planning and Zoning Department**

The ABCB cannot issue a liquor license that would violate underlying zoning requirements. Limitations on any license (for example, hours or permitted music) that are imposed by the applicable zoning, including conditions imposed as part of the special exception process, are noted on the license. The Committee recommends a more formal relationship and reporting protocol between the Department of Planning and Zoning and the ABCB to ensure that any non-compliance with zoning restrictions are forwarded to the ABCB for consideration and possible action.

## **Recommendations**

**Therefore the Committee recommends that the City of Annapolis:**

1. Hire at least one full-time liquor inspector, to be funded by the liquor license fees.

2. Promulgate the message that bad behavior will not be tolerated in Annapolis through signage, public relations campaigns and other media outlets.
3. Encourage the use of off-street parking through signage, reduced or free parking in city parking garages after 9:00 pm.
4. Enforce and expands the residential parking area restrictions to include peak days of the week until 2:00 am.
5. Implement automatic payment facilities for the public parking garages and provide cameras in the garages that can be monitored and used by the APD for security purposes.
6. Open the public restrooms at the Harbor Master building and the Market House until 3:00 am, and create a well-lit and safe environment.
7. Include at least one public restroom in any plan for the development or redevelopment of the city's parking garage facilities.
8. Relocate the cab stand at the bottom of Main Street to the City Dock area, preferably in the vicinity of the Harbor Master building.
9. Require a more formal relationship and reporting protocol between the Department of Planning and Zoning and the ABCB.
10. Install port-a-johns in or near the city garages until permanent restroom facilities can be constructed.

## **B. The Alcohol Beverage Control Board**

Article 2B Section 15-107 authorizes the Mayor and Aldermen in the City of Annapolis to delegate any or all of the powers and responsibilities vested in the City by Article 2B to a subsidiary board. In 1983, what is now Chapter 7.12 of the City Code was enacted and the Alcoholic Beverage Control Board was established. Chapter 7.12 creates the Alcoholic Beverage Control Board and establishes the local law governing the retail sale of alcohol. It further directs the ABCB to create *Rules and Regulations* and gives them the force of law. These are written by the ABCB and are under continuous review, and are amended from time-to-time as appropriate.

In order to make amendments to the *Rules and Regulations*, the members of the ABCB must hold a public hearing. The recommended amendment is sent to the City Council. If the amendment is not rejected within 45 days it becomes law. The City Code also makes provision for expedited City Council approval when necessary and appropriate.

### **1. Board Members**

The ABCB is composed of five volunteer members serving staggered three-year terms. At the writing of this report, two members are attorneys and two are former liquor license-holders. By tradition, one resident of Ward 1 is appointed to the ABCB because of the number of licenses in that Ward, but this is not required. Currently under state law, an active licensee can serve on the ABCB. In order to ensure that the ABCB is representative of all of the stakeholders, the Committee recommends that of the five member ABCB, one resident from the “commercial district” (see the Restricted Areas Section of this report) that contains the highest percentages of licensed establishments and an owner/operator of a licensed establishment (which could include a package good store owner) be required.

### **2. City Clerk Responsibilities**

The City Clerk’s office provides staff support to the ABCB. As of May 2010, the City Clerk reported that the workload associated with licensing and other ABCB issues had grown to occupy approximately 100% of the Deputy City Clerk’s time. The Clerk maintains the list of active licenses, a copy of the *Rules and Regulations*, and the meeting minutes on the city website. The Committee found, however, that certain information it believed important to its deliberations was not readily available from the ABCB or the Clerk without considerable research. Staff was not available for that research due to the annual license renewal workload along with routine demands at the time. The Committee believes that historical data would be more readily available if it were stored in an automated form and accessible through the City’s information management system and website.

The Chair of the ABCB advised the Committee that there had been one denial of a license during his 26-year tenure on the ABCB and one revocation, but this information was not readily verifiable. It is the belief of the Committee that with the creation of a full-time inspector’s position, not only will there be more

effective enforcement, but readily available historical information will also be more accessible. This will make the ABCB and the workings of the board more transparent.

**3. Meeting Times**

The Alcoholic Beverage Control Board grants or denies annual licenses following public hearings; approves or disapproves consumption of alcohol on city property; grants or denies one-day licenses to non-profit applicants; and approves or disapproves alcohol consumption at special events not normally covered on licensed premises—for example, outdoor events adjacent to licensed premises. The ABCB holds a public hearing when granting a new license or transferring an existing license. In the absence of a protest, license renewals are handled administratively. Public hearings are held at 3:00 pm on the first Wednesday of the month, a time that the Committee views as inconvenient for the general public. In addition, this time of day may restrict the Mayor and City Council from appointing members to the ABCB from the larger pool of citizens of the City who work normal business hours.

Therefore, the Committee recommends that the ABCB meetings be held at a time consistent with most other Boards and Commissions in the City—in the evening. It is important to note that the Chairman of the ABCB advised the Committee that the time of the current public meetings (Wednesday at 3:00 pm) was not set in order to be more convenient for the license-holders. The meeting time was changed from evening to afternoon at the request of the Office of Law in the late 1980s.

The ABCB should continue to reevaluate its interaction with the public to ensure that the processes and procedures are available to everyone, and that the ABCB is a resource to the community. The Committee recommends that the ABCB should update its webpage to include more interactive information similar to the State of Virginia web page that provides a diversity of links and includes the ability to enroll in Alcohol Awareness Training and to file a complaint.

**4. Public Notice**

A public notice sign is posted at the proposed location of any new or transfer license. However, the ABCB *Rules and Regulations* do not require the applicants to notify adjacent property owners of the pending application in writing. The ability of residents to engage in a process is dependent, in part, on notice of a pending application. One source of frustration for many residents is the lack of transparency in the process and inadequate notice. The City does currently require written notification to adjacent property owners of most development applications. For example, the Zoning Board of Appeals requires that an applicant notify adjacent property owners within 200 feet that there is to be a public hearing. The Committee recommends that additional notice in the form of an informational mailing be required by the ABCB for public hearings, consistent with the notice requirements of the Board of Appeals. The cost of the

informational mailing to residents should be paid by the applicant for new or transfer of licenses and will be administered by the City Clerk. In the case where a person would like to testify and is unable to attend the hearing, the ABCB should accept written testimony.

**5. Written Findings**

The ABCB is the decision-maker in the issuance of liquor licenses in the City. Their decisions can be appealed to the Circuit Court. The ABCB does not write findings or otherwise document their reasons for approving or disapproving a new license application, unless an appeal of the action is filed in Circuit Court. The Committee believes that this may create a lack of transparency in the processes and procedures of the ABCB.

As an example, the Planning Commission is not the final decision-maker on all zoning matters but does write findings in any case that comes before it. The Commission is the final decision-maker on subdivision issues and, again, writes findings of fact that sets forth its decision. The findings are available to the public and provide the community at large the ability to understand and monitor the Commission and its actions. Currently the ABCB has indicated that its meeting minutes are sufficient written evidence of their actions. However, the Committee recommends that the ABCB be held to the same standard as the Board of Appeals and Planning Commission, and provide written findings of fact for its decisions.

**6. Public Accommodation**

The ABCB is required by state law to consider the “public convenience or need” for a new license. However, the ABCB does not generally consider the number or types of licenses in the immediately adjacent area when considering whether to issue a new license. Similarly, the ABCB, as a general rule, accepts the proffer made by the applicant that there is a market (as distinct from need) for the proposed license. As discussed in the Restricted Areas Section of this report, the ABCB should be mindful of the number of licenses in each Commercial District, the impact on the peace and quiet of the neighborhood, the drain on city resources, and the mix of uses in general while exercising its authority. The written findings for decisions (as recommended by the Committee) should include the basis on which a new license was found to be required for public accommodation and not rely solely on the applicant’s expert.

**7. Violations**

For any infraction, the ABCB may impose a range of sanctions—from a fine (limited to \$2,000.00) to modification, suspension, or revocation of the license. The limit on the amount of the fine is established in Article 2B. There is no limit to the way a license may be modified or suspended. Penalties or enforcement actions taken against a licensee remain part of the licensee’s record for four years, during which time they can be considered as aggravating circumstances to any new disciplinary matter. The Committee recommends that maintaining the infraction record for four years is excessive and should be revised to a three-year

period. Revocation results in a lifetime ban on a person's ability to hold another license. The Committee was told that over the last 23 years, the ABCB has revoked one license and, on average, the ABCB suspends one license a year. The suspensions are usually less than five days, but in each case the ABCB would consider mitigating and aggravating circumstances that could result in a variety of disciplinary actions. However, the ABCB does not generally use the modification of a license as an enforcement tool.

Our review of the 2009 Aggregate Violation list provided by ABCB to the City Council indicates that the vast majority of enforcement actions levied against licensees were for sales to minors, for which licensees were typically assessed a \$500 penalty. A few instances of higher penalties were also noted (either \$750 or \$1000) as well as one instance of a one-day suspension. The suspension was served on a Tuesday.

The Alcoholic Beverage Control Board also conducts hearings on disciplinary matters related to licensed establishments. When the ABCB is conducting disciplinary hearings, protest hearings, and hearings to determine whether a license should be granted, it is sitting as a quasi-judicial body. As such, its final determinations are reviewable by the Circuit Court if any of the affected parties are not satisfied with the ABCB's determination. Judicial review has been sought on a number of occasions since the formation of the ABCB and the Board has never been reversed.

## **8. Penalties**

Article 2B has set a maximum penalty cap of \$2,000 that the ABCB can apply to any violation, regardless of the severity of that violation. This cap may restrict and undermine the authority of the ABCB. An amendment to 2B to increase the maximum fine that the ABCB can administer is critical. When compared to surrounding jurisdictions, the City of Annapolis' ABCB is at a disadvantage when dealing with violations of its liquor laws. For example, in Prince George's County, the first offense penalty for sale to a minor is a fine assessed between \$3,000 and \$5,000. In Anne Arundel County, the penalties are limited to \$2,500. In Washington D.C., licensees are charged \$2,000 for a first offense.

The Committee believes that an escalating fine beyond the current cap could be an effective deterrent in dealing with repeat offenders. While the Committee is not specifically recommending a penalty scale for adoption with this report, the discretion and authority of the ABCB should not be so restricted. Article 2B should be amended to provide the ABCB with the ability to establish higher fines as a tool to be used when aggravating circumstances warrant.

This Committee recognizes the authority of the ABCB includes a tremendous amount of discretion to use its own judgment regarding aggravating or mitigating circumstances. However, this Committee has found a lack of a clear connection between offenses (e.g., disturbing the peace, sales to intoxicated, sales to minors,

and so forth) and penalties. This lack of transparency is viewed by the Committee as a source of ambiguity, putting both the license-holders and the residents at a disadvantage in understanding their rights. The ABCB does not currently publish its suggested penalty scale. However, the Committee recommends that it does publish this scale on its website.

The Committee recommends that the ABCB should establish a new penalty scale, with clear penalties for each type of infraction. The penalty scale should contain escalating fines and/or other punitive actions (suspensions, etc.) for multiple violations within the three-year review period recommended by the Committee. An additional focus of enforcement should include a renewed look at not only the actions of the establishments, but at the offender. The ABCB and the City Council should establish fines (as much as \$1,000) for behaviors such as drunk and disorderly conduct, using fake identification, and accepting fake identification. The City could send a clear message that these types of activities are not acceptable by holding not only the establishment responsible, but the servers, bouncers, and patrons accountable. The Committee suggests that signage be posted in certain establishments as determined by the ABCB where appropriate, notifying patrons of possible penalties for violations.

**9. Residency Requirement**

Currently, Article 2B requires that at least one City resident be named on the liquor license for any establishment. The Committee believes this is to ensure that the establishment owner has a vested interest in the operation and how it affects the community. However, there is often an arrangement made between an unaffiliated resident and an establishment owner to meet only the technical terms of this requirement. While the Committee appreciates the reason for having a resident on the license, we believe it is too restrictive, especially for a small jurisdiction. The Committee recommends that Article 2B is amended to allow an Annapolis license-holder to be a resident of Anne Arundel County outside of the City's jurisdiction.

## **Recommendations**

**Therefore the Committee recommends that the ABCB:**

1. Establish an escalating penalty scale for infractions and violations that is available to stakeholders and published on the webpage.
2. Keep records of disciplinary actions against licensee for a three-year period, amended from a four-year period.
3. Move their meeting time to the evening.
4. Accept written testimony when holding a public hearing.

5. Provide written findings of fact for every decision.
6. Include in the written findings of fact for a new license the ABCB's basis on which it was found to be required for public accommodation.
7. Amend the *Rules and Regulations* to require an informational mailing to residents within 200 feet at a cost to be paid by the applicant, consistent with the Zoning Board of Appeals' informational mailing requirement, and administered by the City Clerk.
8. Require that of the five member ABC Board, one representative from the "commercial district" (see the Restricted Areas Section of this report) that contains the highest percentages of licensed establishments in the city, and one member who is an operator/owner of a licensed establishment (which could include a package good store owner) be represented.
9. Update the ABCB webpage to include interactive information including Alcohol Awareness Training schedules and to include the ability to file complaints for consideration.
10. Amend the requirement that a license-holder must be a City resident to allow an Annapolis license-holder to be a resident of Anne Arundel County.

## **C. Annapolis Police Department**

The Alcoholic Beverage Control Board conducts hearings on disciplinary matters related to licensed establishments. Disciplinary hearings usually result from Annapolis Police Department activity or complaints brought to the ABCB by the State Comptroller's Office for nonpayment of Sales and Use Tax and other violations. The ABCB does not currently request or obtain from APD any quarterly reports on the general crime levels or nuisance activity within areas of licensed establishments. Rather, reports are made on an ad-hoc basis.

### **1. Inspector**

A part-time contractual liquor inspector is currently employed by the Annapolis Police Department. The inspector's salary, currently \$5,000 dollars a year, is included in the Annapolis Police Department budget, as discussed in the Fees Section of this report. The inspector checks all licensed businesses quarterly to record compliance with the *Rules and Regulations* of the ABCB, and, to some extent, compliance with applicable City Code. The inspector verifies that restrictions appearing on licenses are being observed, required permits and licenses from associated agencies are current, and that the fire department capacities are observed. The inspector fills out forms (Appendix I) for each establishment, which are forwarded to the Clerk's office where they are filed. If in the course of the inspections, conditions are observed that the inspector feels should be brought to the attention of the ABCB, he or she may forward that information. A Show Cause Order could result at the discretion of the ABCB or the matter could result in a warning letter, which is generally the case. The Committee does not know the number or outcome of the Show Cause hearings held by the ABCB.

### **2. Compliance**

The Annapolis Police Department also conducts periodic compliance checks regarding sales to minors by placing underage cadets in a licensed establishment to attempt to illegally purchase alcohol. If a server makes a sale to an underage patron, he or she is cited for a municipal infraction and the establishment is reported to the ABCB. If a server or bouncer confiscates a false identification, the ID is turned over to the police. However, there is no established protocol for turning those IDs over. The Committee recommends that a protocol is developed to assist the collaboration between the licensed establishments, APD, and the ABCB.

### **3. ABCB Coordination**

No violations for disturbing the peace or sales to intoxicated persons were noted in the 2009 Aggregate Violation List (an annual report prepared by the ABCB). The Chair of the ABCB informed the Committee that the Board lacks appropriate enforcement tools to address these issues and that absent enforcement action by the APD, they are not in a position to enforce these prohibitions. Conversely, while the APD does work with the ABCB in performing some enforcement functions like preventing sales to minors, liquor license enforcement in general

(Tile 7 compliance) has not been a primary focus for the APD given the substantial amount of other duties and requirements placed on the manpower resources of the department. The Committee does not believe that the burden of enforcement of Article 2B, Title 7 of the City Code, and the Rules and Regulations of the ABCB should be the sole responsibility of the APD, at the taxpayer's expense.

The Committee was advised that during the past five years, very few police reports have been forwarded to the ABCB. In October and November 2008, the ABCB received approximately five reports from APD following a request by the Chair of the ABCB. In November 2009, the ABCB received approximately 10 reports after the stakeholder's meeting organized by Planning and Zoning Director in conjunction with O-27-09. The Committee was unable to determine the outcome of any report forwarded to the ABCB.

This Committee feels strongly that the cooperation and information sharing between the APD and ABCB is critical in establishing a "zero-tolerance" culture for bad behavior, either on the part of licensees or patrons, and should be formalized. We also recognize that liquor license enforcement is not the sole responsibility of the APD. However, this Committee views the full engagement of APD in the implementation of a "zero-tolerance" policy regarding illegal behaviors as critical, without which many of the other recommendations of the report will be ineffective. The City must commit to giving the ABCB and APD the enforcement tools necessary to enforce all the rules, regulations, and laws regarding alcohol licensing and service in the city; tools that must be clear, transparent, and available to all of the stakeholders including license-holders and residents.

**4. Reporting**

APD should be responsible for providing the ABCB with monthly or quarterly reports regarding the number and types of public nuisance, assaults, fights, DUI and any other relevant enforcement actions in the immediate vicinity of any licensee. A similar list of overall statistics should be required for any area determined to have a high concentration of licenses even if the event cannot be tied to a specific establishment for consideration by the ABCB.

**5. Staffing**

APD should provide increased police staffing on Friday and Saturday nights, or when otherwise appropriate in areas with high concentrations of alcohol licenses. Officers should be out of their cars and walking the areas near licensed establishments and residential areas impacted by patron behavior. Coordination with the liquor inspector can help to identify hot spots and areas of concern to the ABCB and to the residents.

The APD has indicated that while they commit significant resources to protecting the peace, the number of officers available to respond to this task is reduced when

an officer makes an arrest. During testimony to the Committee by the APD, it was noted that a booking agent is not currently used to keep “officers on the street” during peak periods of activity. To ensure that the arresting officers are not removed from the street to perform the administrative function of booking, a booking officer may be an additional tool for the APD, and is recommended by the Committee.

## **Recommendations**

### **Therefore the Committee recommends that the APD:**

1. Be required to provide ABCB with monthly and/or quarterly reports.
2. Provide increased police staffing on Friday and Saturday nights, and/or when otherwise appropriate in areas with high concentrations of alcohol licenses.
3. Require officers to get out of their cars and walk the areas near licensed establishments and residential areas adversely impacted by patron behavior.
4. Hire a booking officer during peak periods (generally Friday and Saturday) to ensure that the arresting officers are not pulled from the street to perform the administrative function of booking.

## **D. License-Holders**

In the case of licensees, the Committee has found the vast majority of establishments in the City are operated by responsible business owners, as stated in the Foreword of this report.

### **1. Responsibilities**

The majority of establishments recognize that it is their responsibility to operate their establishments in a manner that avoids disturbing the peace, safety, health, quiet and general welfare of the community and the neighborhood in which the premises is located (*Rules and Regulations* 1.11).

These owners do implement safeguards to protect the surrounding neighborhoods from adverse impacts from their establishments but also believe that additional restrictions are necessary for those establishments that are operated in an irresponsible manner.

### **2 Alcohol Awareness Training**

In addition to the ABCB and the APD, the license-holders can also implement certain changes that will help prevent the service of alcohol to minors and to patrons who are already intoxicated. One way to help prevent this is by increasing training requirements for staff. Currently, only one member of the staff working at a given time in any establishment must be certified through an alcohol-awareness education class. The “TIPS” training (Training for Intervention ProcedureS) is the class that is most frequently enrolled in; however, there are other state-certified opportunities for servers to become compliant. The Committee recommends that everyone who serves alcohol (bartenders, wait staff, etc.) be TIPS certified or have the equivalent certification within 90 days of hire. This increased education will help servers be more aware of signs of intoxication and more confident in identifying underage drinkers. The Committee also recommends a type of licensing be required for all alcohol servers. Servers could receive the license from the ABCB after TIPS training, or after additional requirements have been met.

If an employee is cited for a violation of the alcohol licensing rules after being certified through an alcohol-awareness education class, the Committee recommends that the server and the license-holder are fined proportionately. Currently, after a violation the license-holder receives a large fine, while servers are also given a small fine and a municipal infraction. The ABCB should keep a list of people fined for violating alcohol licensing rules, in order to keep track of people prone to violation that could inform the licensed establishments.

### **3. Notice**

There are other actions that license-holders can take to make sure their customers are aware of the consequences of their actions after leaving a particular establishment. For example, license-holders can post signs that warn of the penalties for unlawful behavior such as vandalism, property destruction, and

public urination. This type of signage is used in other jurisdictions such as Ocean City, Maryland. If patrons are aware of potential legal and financial consequences of their behavior once they exit the establishment, they might alter their behavior once leaving.

**4. APD**

License-holders generally have a good relationship with the APD. These two groups both benefit from working together. Licensees should not be disciplined or punished solely because of the number of calls to the police department which are determined to come from their establishments. The Committee feels this will drive licensees to avoid calling police, even when needed. If there is an establishment with a particular security problem, the ABCB could recommend that the license-holder hire additional security.

## **Recommendations**

### **Therefore the Committee recommends that:**

1. License-holders require “TIPS” or equivalent alcohol-awareness certification for all new employees that serve alcohol within 90 days of hire.
2. Servers and the license-holders should be fined proportionately for a violation.
3. License-holders should post signs in their establishments that warn of the penalties for unlawful behavior (similar to Ocean City).
4. Servers and licensees should not be disciplined or punished solely because of the number of calls to the police department from their establishments.
5. License-holders work with the ABCB to develop a program to license servers for alcohol service.
7. License-holders help the ABCB maintain a list of employees fined for violating alcohol licensing rules.
7. Licensees have their own security (Police Chief does not want APD to moonlight, however ABCB can recommend a doorman).

## **E. Residents**

This report is a critical start in a new direction for the City in the issue of liquor licensing. To that end, the residents should also consider a renewed effort to assist the City in its efforts in dealing with liquor licensing.

### **1. Neighborhood Watch/Participation**

The Committee recognizes that neighborhood watch programs are a necessary part of the solution, as are attending meetings of the ABCB and engaging the new liquor inspector.

As the City implements the recommendations of this report in its entirety, it is the residents' responsibility to participate in an ongoing dialogue with the City officials, and the hospitality industry.

### **2. Review Report**

The recommendations in this report are not flawless and there may be omissions in the view of another group of residents, which should be expected. Where those flaws or omissions are identified, those observations should be brought to the attention of the City Council for further action.

## **Recommendations**

### **Therefore the Committee recommends that residents:**

1. Establish neighborhood watch groups.
2. Attend ABCB meetings.
3. Monitor the City's progress in implementing the recommendations of this report.
4. Meet with the liquor inspector when issues arise.
5. Participate in an on-going dialogue with the City and the hospitality industry at quarterly meetings.



## **V. 2:00 am Closing Time**

More than half of all the liquor licenses (62%) in the city are B-class (restaurant) licenses (Appendix M). The City Code (21.72.010) defines a restaurant as “an establishment whose principal business is the sale of food or beverages to customers in a ready-to-consume state.” The Code defines a bar/tavern as an: “establishment primarily engaged in the retail sale of drinks, such as beer, ale, wine, liquor and other alcoholic beverages, with food only incidental to the sale of alcohol” (City Code Section 21.72.010).

### **A. Zoning and Licensing**

In terms of license types, with the exception of a limited number of 12:00 am restaurants in the C-2 district, the City does not apply the Article 2B definition for a restaurant, which requires that the daily average receipts from food be greater than the daily average receipts from alcohol. This definition is established in Article 2B and is used by Anne Arundel County. The Committee has found that other counties in Maryland set higher sales ratios for restaurants (Appendix E: Ward One Residents’ Association Testimony).

In the City of Annapolis, there are currently no establishments operating as a bar/tavern use, although this use is recognized in Title 21 (Zoning) and Title 7 (alcoholic beverages). The hours of operation for a bar/tavern license are limited to 12:00 am in Article 2B. It is important to note that the Planning and Zoning Department currently has a pending application for a bar/tavern. This application is being reviewed for conformance to the special exception standards that currently exist in Title 21. The Committee believes that the restriction in the hours of operation for a bar/tavern deters some business owners from that use.

### **B. Restaurant/Tavern Categories**

The City has allowed, through either neglect or oversight, for a fundamental disconnect to develop between how a license is categorized and reviewed under zoning and how it operates under alcoholic beverage licensing. This inconsistency has led to confusion in the expectations of how an establishment is going to be operated. For example, residents who would expect a “restaurant” as a neighbor, instead get a “restaurant” that has characteristics more closely associated with a bar/tavern.

The public hearing process would function better for residents if definite categories were established which would allow for each application to carry with it clear operational standards. The City Code (Title 21 and 7) should be amended to distinguish between these types of uses. The lack of clarity in operational expectations can lead to a potential misallocation of police and other city resources because these requirements may be different for restaurants as opposed to bar/tavern uses. License fees should also reflect the differences between the two categories. The Committee recommends that fees should be higher for more resource-intensive uses as opposed to low resource-intensive uses. This is further discussed in the Fees Section of this report.

This Committee recommends that the City clearly establishes license categories that reflect how the establishment is actually operated. The Committee does acknowledge

that having bars/taverns in the city should be a part of the recognized mix of uses permitted in the city. Moreover, the standards for a bar/tavern should be consistent with how the establishment is operated. Operationally, a bar/tavern would not have the same ratio of alcohol-to-food that a restaurant would have and should therefore not be held to that same standard. In regard to zoning requirements, the standards for a restaurant open until 12:00 am, a restaurant open until 2:00 am, or a bar/tavern should be clearly distinguished from one another.

### **C. Three Classes of Licenses**

The Committee recommends that the City establish three classes of establishments city-wide as opposed to the one restaurant establishment classification generally used now in the city. These three classifications would be:

1. A restaurant that is open until 12:00 am should be subject to a 50/50 ratio of alcohol-to-food, and permitted subject to standards (not required to obtain special exception approval). The 50/50 ratio, currently the ratio recognized for restaurants in Article 2B and for restaurants approved after 1994 in the C-2 Zone in the city, should apply here.
2. A restaurant that is open until 2:00 am should be subject to a 60/40 ratio of alcohol-to-food, and permitted only by special exception. This ratio recognizes that the use is a restaurant, and it would be subject to the current special exception standards for restaurants. A limited menu would be available during the hours that alcohol is being served.
3. A bar/tavern would be permitted by special exception. It could be open until 2:00 am, with no alcohol-to-food ratio. This would require an amendment to Article 2B to allow bar/tavern licenses to be issued past 12:00 am. Title 21 (zoning) would then be amended to establish special exception standards crafted specifically for a bar/tavern. The food service may be limited. An establishment that wishes to operate without the alcohol-to-food ratio may apply for the bar/tavern license and be subject to much more restrictive special exception standards and higher fees.

### **D Alcohol-to-Food Ratio**

The Committee has found a general lack of enforcement of the current 50/50 ratio for those establishments which are subject to those standards, until recently. The enforcement of the alcohol-to-food ratio is an important component to the entire approach recommended in this report. The Committee recommends that the alcohol-to-food ratio be a requirement of Title 7 (liquor licensing) and not that of Title 21(zoning) as it is currently. The ratio is a standard which originated in Article 2B, and should therefore be delegated to the ABCB for full enforcement. The standards for the reporting of the ratio to the ABCB are recommended as follows:

1. As a prerequisite for the initial issuance of a license the owner shall attest in a sworn statement that the gross receipts from food sales in the restaurant will be at least equal to the ratio required.
2. As a prerequisite for each renewal of a license (which is subject to a ratio) the owner shall attest in a sworn statement that the gross receipt from food sales in the restaurant is at least equal to the ratio required.
3. Currently, the ABCB by regulation may with cause require an audit of the average daily receipts of any restaurant that is subject to a ratio. The Committee recommends a continuation of this policy.

### **E. Expedited Review**

The Committee recognizes that the City has had a larger part to share in the issues surrounding the issuance of 2:00 am licenses, and by not addressing those issues a number of existing responsible licensees have been unable to apply for a 2:00 am liquor license. At the writing of this report there are 15 restaurants permitted by special exception in the C2 Zone that are limited to 12:00 am licenses (Appendix N). Several of these establishments are grandfathered from the current 50/50 alcohol-to-food ratio, which was a compromise promulgated as a result of the *Ward One Sector Study* (1993). There are nine grandfathered 2:00 am restaurants. Their status will not change.

The 15 restaurants with 12:00 am licenses should be permitted to extend their hours of operation to 2:00 am, consistent with the recommendation of this report. Furthermore, with a vote of 10 to 5, the Committee recommends that these 15 establishments should be allowed to forego the special exception process if they make application for a 2:00 am license within a six-month window.

These 15 establishments, as set forth above, would be subject to the 60/40 ratio of alcohol-to-food, notwithstanding any previous grandfathering if they desire to extend their hours of operation. Subsequent to the six-month window, if an establishment has not made application with the ABCB to amend their liquor license they would be subject to the full standards for a restaurant open until 2:00 am, including the 60/40 alcohol-to-food ratio and would need to formally amend their special exception. This is a recommendation for a limited window for these establishments only. The grandfathered establishments that make no changes to their hours will operate as they have been.

### **F. Tavern**

The Committee recommends that more stringent standards should be developed for a bar/tavern use. Currently Article 2B only permits a bar/tavern to be open until 12:00 am. The Committee, with a vote of 11 to 4, recommends that with appropriate zoning standards and enforcement in place (as discussed throughout this report) a bar/tavern should be given the opportunity to be open until 2:00 am, subject to strict zoning standards.

Notwithstanding the above, any restaurant that wishes to convert to a bar/tavern use is subject to a new special exception at any time. The Committee recommends that no new bar/tavern license be issued or permitted in the city until Title 21 is amended to establish special exception standards for that use. Moreover, no 2:00 am bar/tavern license can be permitted until Article 2B is amended.

**G. 2:00 am Recommendation**

After taking into consideration the full recommendations of this report, the Committee reached a consensus and recommends that the City lifts the ban on 2:00 am licenses in the C-2 Zone.

**Recommendations:**

**Therefore the Committee recommends that:**

1. The City Code (Title 21 and 7) should be amended to distinguish between these types of uses as follows:
  - a. A restaurant that is open until 12:00 am should be subject to a 50/50 ratio of alcohol-to-food, and permitted subject to standards;
  - b. A restaurant that is open until 2:00 am should be subject to a 60/40 ratio of alcohol-to-food, and permitted only by special exception; and
  - c. A bar/tavern would be permitted by special exception.
  
2. The alcohol-to-food ratio should be a requirement of Title 7 (alcoholic beverages) and not that of Title 21 (zoning). The standards for the reporting of the ratio to the ABCB are recommended as follows:
  - a. As a prerequisite for the initial issuance of a license the owner shall attest in a sworn statement that the gross receipts from food sales in the restaurant will be at least equal to the ratio required.
  - b. As a prerequisite for each renewal of a license (which is subject to a ratio) the owner shall attest in a sworn statement that the gross receipt from food sales in the restaurant is at least equal to the ratio required.
  - c. Currently, the ABCB by regulation may with cause require an audit of the average daily receipts of any restaurant that is subject to a ratio. The Committee recommends a continuation of this policy.
  
3. Prior to the approval of any use or issuance of any license for a bar/tavern, Title 21 should be amended to establish special exception standards for this use.
  
4. The 15 restaurants in C-2 with 12:00 am liquor licenses, as set forth above, are permitted to apply as restaurants for a 2:00 am liquor license within a six-month window, without the approval or amendment of a special exception. These 15 establishments are subject to a 60/40 ratio of alcohol-to-food notwithstanding any previous grandfathering.
  
5. The City should lift the ban on 2:00 am licenses in the C-2 Zone.

## H. Dissenting Opinion

The Committee's April 2010 Interim Report stated that:

The Committee includes members who philosophically disagree on certain issues, and while I hope that through this process many of those differences will be bridged, there may be issues where reasonable people will disagree. I intend, where those differences are insurmountable, to include the dissenting opinion in the report where the Committee finds it appropriate.

There are two issues with dissenting opinions.

1. **Dissenting opinion on the process required for existing restaurants in the C-2 District to obtain zoning approval for hours of operation past 12:00 am, following a vote of 10 to 5:**

In the C-2 District, all food service establishments are subject to special exception approval. Under City Code (21.26.010), special exception uses are uses that:

**...may be compatible with the purposes of the zoning district in which they are to be located, but may have the potential to result in adverse impacts upon the immediate neighborhood. The process for review of special exception applications is designed to address such adverse impacts and minimize them where possible. A special exception requires a careful review of its location, design, configuration and special impact to determine, against specific standards, the desirability of permitting its establishment on a particular site.**

For food service establishments, the special exception review criterion (21.26.050G) specifically includes review of the hours of operation. Thus, all existing restaurant uses in the C-2 have been granted a special exception by the Board of Appeals (or Conditional Use prior to the establishment of the Board of Appeals) with the hours of operation specifically reviewed and noted at the time of approval.

There appears to be disagreement among various City Departments as to whether the City Council can legally lift restrictions in hours of operation which were granted by the Board of Appeals. There is a minority opinion on this Committee that, lacking the legal expertise to judge this matter on our own and without a clear opinion from the City's Office of Law, it is unwise for this committee to recommend a course of action to the City Council which may in fact usurp the authority granted to Board of Appeals by Article 66B of the Annotated Code of Maryland.

Moreover, any existing special exception use may have had specific conditions placed on it by the Board of Appeals based on the original proposal by the applicant. These conditions and findings, which are a part of the original approval, are the result of a public hearing process that would have included the

Planning and Zoning Department, the Planning Commission, the Board of Appeals, and the public. The conditions and findings may relate to how the establishment is or should be operated and could also be directly or indirectly related to the hours of operation. Without a review of each existing special exception, including all conditions and findings of that approval, the City would be blindly usurping the authority of the Board of Appeals and the rights of citizens to be a part of the development review process. The original special exceptions may also have parties of record to those cases which give them standing in the case. By cutting these parties of record out of the process by some administrative act, the City is possibly setting itself up for a court challenge.

Above and beyond the legal questions of whether a change to the approval granted by the Board of Appeals *could* be made is the question of whether it *should* be made. We would argue that at the time of application, review and granting of a special exception for a restaurant use in the C-2 District, the public relied upon the existing zoning and the authority of the Board of Appeals to consider and restrict the hours of operation, or condition a use in some manner depending on the specific location.

The special exception approval process allows; both by design and implementation, members of the public who may be impacted by the proposed special exception use to have the opportunity for input into the review of that use. It is unfair to the public to now bypass that process and amend the hours of operation without requiring a comparable process which also allows for public input. Doing so would mean that the public has no voice on a matter which has the potential to impact their quality of life or the use and enjoyment of their own property.

**2. Dissenting opinion on recommending that Maryland amends Article 2B to allow taverns to stay open until 2:00 am, following a vote of 11 to 4:**

Currently under State Code Article 2B, bars/taverns in the City of Annapolis are limited to 12:00 am closings. Under City Code (21.72.010D), bars/taverns by definition are establishments “primarily engaged in the retail sale of drinks....with food only incidental to the sale of alcohol.” They are true bars and not simply restaurants with high alcohol sales.

In the C-2 district, nine existing 2:00 am establishments are grandfathered under the *Ward One Sector Study* and are allowed to operate with no minimum food-to-alcohol sales ratio. Of these nine, six currently have alcohol sales (as a proportion of total sales) between 20% and 50%. One establishment has alcohol sales very close to 60% and two establishments have alcohol sales between 70% and 75%. Therefore, the majority of the existing 2:00 am establishments in the C-2 meet the 60/40 alcohol-to-food ratio recommended by the Committee for 2:00 am restaurants.

Only two of the nine existing 2:00 am restaurants in the C-2 would *not* meet the proposed ratio of 60/40 alcohol-to-food ratio as they currently operate. However, increased competition from new 2:00 am establishments (subject to a 60/40 sales ratio as recommended by this Committee) could easily promote more bar-like behavior among all the existing grandfathered establishments. Thus, nine existing 2:00 am licenses in the C-2 District, unconstrained by any minimum food sales requirement that would maintain their operation as restaurants, is sufficient. No 2:00 a.m. establishments without alcohol-to-food sales ratios should be added to this already fragile environment.

If, once the City implements all of the recommendations of this Committee, the City then finds that a bar open until 2:00 am with no food is a type of operation that would benefit the city mix of uses, the City could then consider an amendment to Article 2B of the State Code. The City could then allow a bar/tavern to stay open until 2:00 am in appropriate zoning districts and after rigorous review via the special exception process. At this time however, the minority opinion believes that it is premature to allow this type of establishment to remain open until 2:00 am in the city, adding to the already saturated environment of late night drinking establishments.



## **VI. Restricted Areas**

In September of 2009, the City of Annapolis' Department of Economic Affairs commissioned an economic and fiscal impact analysis to assist the City Council in their consideration of special events and legislative actions for the city's six main "commercial districts." Individually, these areas are identified as the Inner West Street, Historic Downtown, Outer West Street, Eastport, Forest Drive, and West Annapolis Districts (see map in Appendix O). This report, *Commercial Tax Base Update*, was prepared by the Municipal & Financial Services Group.

The city's economic development website identifies these six commercial districts or "business neighborhoods" as "the foundation of the city's local and regional economy. Each one is unique in its character and vitality. Collectively, they are the cornerstone of Annapolis"

(<http://www.annapolis.gov/government/departments/Economic/EAMarketing.aspx> Accessed 8 July 2010).

### **A. Economic Development**

One of the goals for economic development, in part, is to help strengthen the city's economy by achieving a balance of uses and managing growth to maintain the quality of life. The geographic delineation of the city's six commercial districts as described in the 2009 *Commercial Tax Base Update* were created by the City of Annapolis and derived from the delineation that was previously utilized in a study undertaken in 2000.

The 2009 study notes that between "1998 and 2008, the City of Annapolis experienced tremendous growth in commercial development within its six designated commercial districts. When compared to the amount/rate of commercial growth the city experienced between 1988 and 1998, the numbers are staggering" (*Commercial Tax Base Update*, 2009, p.23). Overall, the study indicates very substantial increases in almost all commercial categories between the 2000 (1998 tax year) and 2009 (2008 tax year) study periods.

### **B. Balance of Uses**

The public testimony that the Citizens Committee to Review Alcoholic Beverage Laws received throughout the process supports this analysis. Public testimony includes the testimony received at the Committee meetings and at the Committee's public hearing on April 29, 2010. The significant growth has undoubtedly resulted in an impact on the residential communities within the city's six commercial districts identified above, particularly in Ward One where over 54% of the 108 liquor licenses are located. With this growth, the City has a responsibility to maintain a balance of uses in furtherance of a clearly defined economic development goal. This includes providing the necessary support services, including parking, while mitigating and managing any adverse impacts to the adjacent residential communities in these areas.

### **C. Developing Tools**

One variable that is evident from the 2009 *Commercial Tax Base Update* is that the city is dynamic and in an ever-changing environment. The City must continually update its planning studies, reevaluate existing policies and procedures, and be innovative in its approach to mitigating the adverse impacts of growth and change. This responsibility

requires vigilant efforts and the avoidance of complacency at all levels in the private and public sector.

It is incumbent on the City to develop tools that are clearly defined and transparent for all of the stakeholders; tools that are flexible, can withstand a changing environment, and remain effective. One tool, which the Committee recommends is the use of “restricted areas” for alcohol beverage licenses. This tool could provide the City with a temporary means of monitoring, managing, and controlling the balance of uses within the six main commercial districts while ensuring that the number of liquor license establishments located within the designated district do not unduly disturb the peace of its residents. The Committee has verified that the City does have the authority under State Law Article 2B to establish such restricted areas for the purpose of regulating liquor licenses.

#### **D. Restricted Areas for Liquor Licenses**

The Committee recognizes the relationship between a balance of uses and the number of liquor licenses in the city. While the Committee does not have statistics on rents, the composition of the Committee does include a number of liquor license-holders who indicate that, in general, the bars and restaurants are charged the highest rents in downtown Annapolis. This in turn may establish high expectations for landlords who prefer higher paying tenants to other retail tenants. The Committee acknowledges that this preference may have an impact on the mix of uses in the commercial districts, encouraging higher-paying uses over others.

The use of a temporary restriction, such as a cap or moratorium, could provide the City with an opportunity to implement the recommendations of this report and to ensure that each district has an appropriate mix of uses in furtherance of its economic development goals. This issue requires the strategic intervention of the City. Intervention would include increased enforcement of the liquor laws and regulations, as well as a more effective Alcohol Beverage Control Board. All of these points are further discussed in this report.

The Committee recommends that the City use the existing commercial districts, as defined for economic development policies, to determine the location of restricted areas. Originally, the Committee discussed using ward boundaries to delineate potentially restricted areas, but quickly realized that the ward boundaries in the city are subject to adjustments depending on population. Moreover, the unique character of each of these areas has been acknowledged already by the City as economic districts with their own unique characteristics.

The Committee recommends that the City adopt the six commercial districts as defined by the 2009 *Commercial Tax Base Update* and further restrict the issuance of any additional licenses in the Downtown District.

The Committee has found that a number of surrounding jurisdictions utilize the restricted area tool in administering liquor licenses. Currently, Anne Arundel County establishes restricted areas for the number of liquor licenses (Article 2B, Section 9-203). One of the

criteria is based on a ratio of liquor license establishments per the number of residents. Annapolis, unlike Anne Arundel County, has a significant transient and visitor population that is ever-changing. In this case, a ratio may not be appropriate in the City and is therefore not included in the Committee's recommendation. The Committee recommends that the City consider the following part of Article 2B, Section 9-203:

**9-203. Anne Arundel County- Restricted areas; number of licenses.**

**(a) Applicability.- This section applies only in Anne Arundel County.**

**(b) In general.-**

**(1) (i) The Board of License Commissioners may restrict any specified area within the county to the existing number of licenses in that area or to any other number of licenses it deems appropriate.**

**(ii) Before any specified area is restricted, the Board shall conduct a hearing on the proposed restricted area. The hearing shall be advertised in the manner required for the issuance of a new license. After testimony is taken for and against the restriction of licenses in a specified area, the Board may prohibit the issuance of additional licenses, or fix the number of licenses to be permitted in that area, and shall determine the limits of that area.**

**(iii) The Board may restrict the number of licenses or prohibit additional licenses in any specified area, when, in the opinion of the Board, the area has:**

- 1. Sufficient licensed premises for the accommodation of the public;**
- 2. Become saturated with licensed premises to the extent that special policing is required and traffic hazards are created; or**
- 3. Changed character so that the existing number of licensed premises is inconsistent with present usage of the area and an increase in the number of licensed premises located within the area will unduly disturb the peace of its residents.**

**(iv) A specified area may be restricted by the Board for any period between one and four years. At the end of the period fixed by the Board, the restrictions shall terminate and be of no further effect, unless the Board conducts another hearing and further restricts the number of licenses as provided in this section.**

## **E. Implementation**

In Anne Arundel County, the Alcoholic Beverage Control Board is required to conduct a hearing on restricting the number of licenses or prohibiting additional licenses in any specified area if it receives a petition requesting the restriction or prohibition. The petition is required to be signed by at least 25 persons who are property owners and

registered voters of the precinct in which the proposed restricted area is located. This provision of the Anne Arundel County Code enables the residents to initiate a hearing. The Annapolis City Council may or may not find this ability to petition to be appropriate to include among its legislative changes.

**F. Duration**

The maximum time period for an area to stay a restricted may be between one and four years. The Committee believes that four years is a significant time period that may not be appropriate. The four-year time period is more a suburban model, appropriate for Anne Arundel County. In any case, at the end of the fixed period, the restrictions will terminate and be of no further effect, unless another hearing is conducted and further restrictions are placed on the number of alcoholic beverage licenses in that area.

In Anne Arundel County the Alcoholic Beverage Control Board holds the public hearing and has the authority to restrict the number of licenses in a specific area. The Committee recommends that the City Council determine if this authority should belong to the city’s ABCB or the City Council itself.

**Recommendations**

**Therefore the Committee recommends that the City:**

1. Exercise the authority granted under Article 2B and adopt the geographic delineation of the city’s six commercial districts as described in the 2009 *Commercial Tax Base Update*. Any of these districts would be the geographical basis of a potential “restricted area.”
2. Develop a transparent process that can temporarily set limits on the issuance of any new liquor licenses, not including renewals or transfer licenses.
3. Restrict the issuance of any additional liquor licenses in the Downtown District.

## VII. Compiled Recommendations

The Committee recommends that:

1. The City revise the FY 2011 fee schedule adopted by the City Council under R-06-010 (Appendix K) in accordance with Appendix J, which suggests fees on the posted level of occupancy for places of assembly and gross floor area as set forth on the use and occupancy permit for package good stores.
2. The City refer the proposed amended FY2011 Fee Schedule to the ABCB members, who will review and make recommendations to the City Council.
3. The City retroactively amend the FY2010 Fee Schedule to the FY 2009 liquor fee rates under R-18-09 Amended and credit any licenses fee paid in excess of the FY2009 fee schedule to the license holders for payment on their FY2011 license fee.
4. The City retain the ability for liquor license fees to be paid in a bifurcated payment. The first upon license renewal, on April 30th, and the second payment due 6 months later, on November 1st.
5. The City hire one or more full-time liquor inspector and one full-time administrator, whose salary would be paid for through liquor license fees.
6. The City promulgate the message that bad behavior will not be tolerated in Annapolis through signage, public relations campaigns and other media outlets.
7. The City encourage the use of off-street parking through signage, reduced or free parking in city parking garages after 9:00 pm.
8. The City enforce and expand the residential parking area restrictions to include peak days of the week until 2:00 am.
9. The City implement automatic payment facilities for the public parking garages and provide cameras in the garages that can be monitored and used by the APD for security purposes.
10. The City open the public restrooms at the Harbor Master building and the Market House until 3:00 am, and creates a well-lit and safe environment.
11. The City include at least one public restroom in any plan for the development or redevelopment of the city's parking garage facilities.
12. The City relocate the cab stand at the bottom of Main Street to the City Dock area, preferably in the vicinity of the Harbor Master building.
13. The City require a more formal relationship and reporting protocol between the Department of Planning and Zoning and the ABCB.
14. The City install port-a-johns in or near the city garages until permanent restroom facilities can be constructed.
15. The ABCB establishes an escalating penalty scale for infractions and violations that is available to stakeholders and published on the webpage.
16. The ABCB keep records of disciplinary actions against licensee for a three-year period, amended from a four-year period.
17. The ABCB move their meeting time to the evening.
18. The ABCB accept written testimony when holding a public hearing.
19. The ABCB provide written findings of fact for every decision.
20. The ABCB include in the written findings of fact for a new license the ABCB's basis on which it was found to be required for public accommodation.

21. The ABCB amend the *Rules and Regulations* to require an informational mailing to residents within 200 feet at a cost to be paid by the applicant, consistent with the Zoning Board of Appeals' informational mailing requirement, and administered by the City Clerk.
22. The ABCB require that of the five member ABC Board, one representative from the "commercial district" (see the Restricted Areas Section of this report) that contains the highest percentages of licensed establishments in the City, and one member who is an operator/owner of a licensed establishment (which could include a package good store owner) be represented.
23. The ABCB update their webpage to include interactive information including Alcohol Awareness Training schedules and to include the ability to file complaints for consideration.
24. Amend the requirement that a license-holder must be a City resident to allow an Annapolis license-holder to be a resident of Anne Arundel County.
25. The APD be required to provide ABCB with monthly and/or quarterly reports.
26. The APD provide increased police staffing on Friday and Saturday nights, and/or when otherwise appropriate in areas with high concentrations of alcohol licenses.
27. The APD require officers to get out of their cars and walk the areas near licensed establishments and residential areas adversely impacted by patron behavior.
28. The APD hire a booking officer during peak periods (generally Friday and Saturday) to ensure that the arresting officers are not pulled from the street to perform the administrative function of booking.
29. License-holders require "TIPS" or equivalent alcohol-awareness certification for all new employees that serve alcohol within 90 days of hire.
30. Servers and the license-holders should be fined proportionately for a violation.
31. License-holders should post signs in their establishments that warn of the penalties for unlawful behavior (similar to Ocean City).
32. Servers and licensees should not be disciplined or punished solely because of the number of calls to the police department from their establishments.
33. License-holders work with the ABCB to develop a program to license servers for alcohol service.
34. License-holders help the ABCB maintain a list of employees fined for violating alcohol licensing rules.
35. Licensees have their own security (Police Chief does not want APD to moonlight, however ABCB can recommend a doorman).
36. The residents establish neighborhood watch groups.
37. The residents attend ABCB meetings.
38. The residents monitor the City's progress in implementing the recommendations of this report.
39. The residents meet with the liquor inspector when issues arise.
40. The residents participate in an on-going dialog with the City and the hospitality industry at quarterly meetings.
41. The City Code (Title 21 and 7) should be amended to distinguish between these types of uses as follows:
  - a. A restaurant that is open until 12:00 am should be subject to a 50/50 ratio of alcohol-to-food, and permitted subject to standards;

- b. A restaurant that is open until 2:00 am should be subject to a 60/40 ratio of alcohol-to-food, and permitted only by special exception; and
  - c. A bar/tavern would be permitted by special exception.
- 42. The alcohol-to-food ratio should be a requirement of Title 7 (alcoholic beverages) and not that of Title 21 (zoning). The standards for the reporting of the ratio to the ABCB are recommended as follows:
  - a. As a prerequisite for the initial issuance of a license the owner shall attest in a sworn statement that the gross receipts from food sales in the restaurant will be at least equal to the ratio required.
  - b. As a prerequisite for each renewal of a license (which is subject to a ratio) the owner shall attest in a sworn statement that the gross receipt from food sales in the restaurant is at least equal to the ratio required.
  - c. Currently, the ABCB by regulation may with cause require an audit of the average daily receipts of any restaurant that is subject to a ratio. The Committee recommends a continuation of this policy.
- 43. Prior to the approval of any use or issuance of any license for a bar/tavern, Title 21 should be amended to establish special exception standards for this use.
- 44. The 15 restaurants in C-2 with 12:00 am liquor licenses, as set forth above, are permitted to apply for a 2:00 am liquor license within a six-month window, without the approval or amendment of a special exception. These 15 establishments are subject to a 60/40 ratio of alcohol-to-food notwithstanding any previous grandfathering.
- 45. The City should lift the ban on 2:00 am licenses in the C-2 Zone.
- 46. The City exercise the authority granted under Article 2B and adopt the geographic delineation of the city's six commercial districts as described in the 2009 *Commercial Tax Base Update*. Any of these districts would be the geographical basis of a potential "restricted area."
- 47. The City develop a transparent process that can temporarily set limits on the issuance of any new liquor licenses, not including renewals or transfer licenses.
- 48. The City restrict the issuance of any additional liquor licenses in the Downtown District.



**CITY COUNCIL OF THE CITY OF ANNAPOLIS**

**RESOLUTION NO. R-73-09 Amended**

**Sponsored by Alderman Israel**

LEGISLATIVE HISTORY			
First Reading:	Public Hearing:	Fiscal Impact Note:	120 Day Rule:
12/14/09	01/11/10	01/11/10	N/A
Referred to:	Meeting Date:	Action Taken:	
			Amended at Jan 11 Mtg.

**A RESOLUTION concerning**

**Citizens Committee to Review Alcoholic Beverage Laws**

**FOR** the purpose of establishing a citizens committee to review the City of Annapolis' alcoholic beverage laws.

**WHEREAS**, Annapolis is one of two municipal corporations (the other being Baltimore City, which for many purposes has the status of a county) that has been granted the authority by the State to regulate alcoholic beverages; and

**WHEREAS**, the General Assembly will soon consider a re-codification of the State's alcoholic beverage laws; and

**WHEREAS**, during the term of the preceding Council, there were two attempts to rescind the limit on 2 a.m. licenses downtown (the result of a compromise, reached in 1993, between residents of Ward 1 and bar owners); and

**WHEREAS**, recent increases in alcoholic beverage license fees have raised questions about the fairness and rationale for such increases.

**NOW, THEREFORE, BE IT RESOLVED BY THE ANNAPOLIS CITY COUNCIL** that a Citizens Committee to Review Alcoholic Beverage Laws is hereby established.

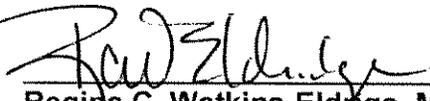
1 **AND BE IT FURTHER RESOLVED BY THE ANNAPOLIS CITY COUNCIL** that  
 2 the Committee shall consist of ~~12 persons appointed by the Mayor subject to~~  
 3 ~~confirmation by the City Council, including representatives of residents and bar~~  
 4 ~~owners~~ 15 persons confirmed by the City Council. Each alderperson shall  
 5 appoint one member and the Mayor shall appoint seven members, including  
 6 representatives of bar owners and residents. The Mayor shall designate the  
 7 chair and shall fill any vacancies, subject to confirmation by the City Council.  
 8 Requisite support staff shall be provided by the Planning and Zoning  
 9 Department.

10  
 11 **AND BE IT FURTHER RESOLVED BY THE ANNAPOLIS CITY COUNCIL** that  
 12 the Committee shall review the City's alcoholic beverage laws, including the limit  
 13 on 2 a.m. licenses and recent increases in alcoholic beverage license fees. The  
 14 Committee shall submit a report to the Mayor and City Council by April 1, 2010,  
 15 stipulating any recommendations for substantive changes an interim report to the  
 16 Mayor and City Council by April 1, 2010, stipulating any recommendations for  
 17 substantive changes, with a final report due by July 15, 2010. Upon submission  
 18 of the report the Committee shall be dissolved.

19  
 20  
 21  
 22 **ADOPTED** this 25th day of January, 2010.

23  
 24  
 25 **ATTEST:**

**THE ANNAPOLIS CITY COUNCIL**

26  
 27   
 28 \_\_\_\_\_  
 29 Regina C. Watkins-Eldridge, MMC  
 30 CITY CLERK

BY:   
 \_\_\_\_\_  
 JOSHUA J. COHEN, MAYOR

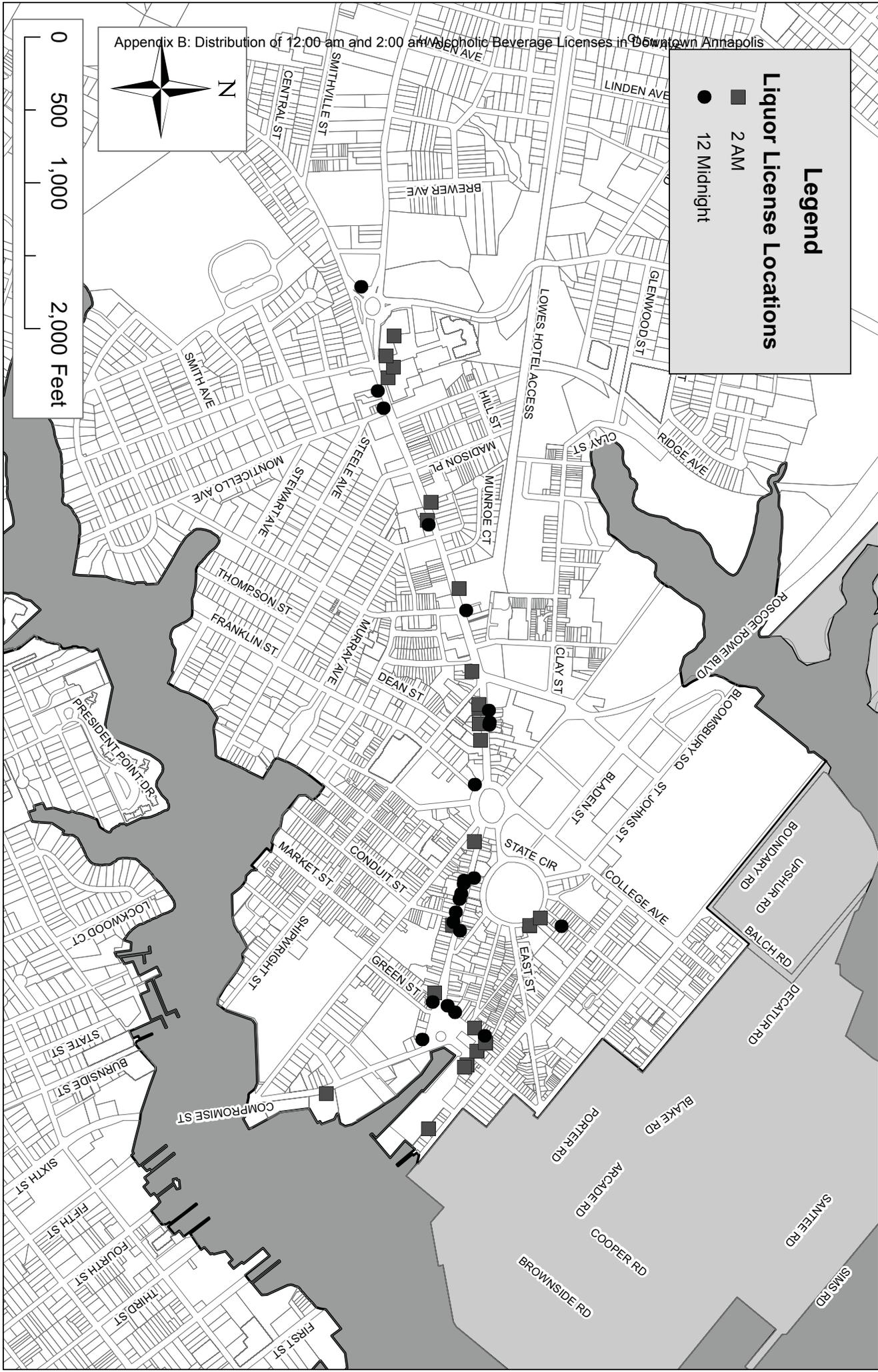
Appendix B: Distribution of 12:00 am and 2:00 am Alcoholic Beverage Licenses in Downtown Annapolis



**Legend**

**Liquor License Locations**

- 12 Midnight
- 2 AM







City of Annapolis

**DEPARTMENT OF PLANNING AND ZONING**

145 Gorman Street, 3<sup>rd</sup> Floor, Annapolis, Maryland 21401

Chartered 1708 Annapolis 410-263-7961 • FAX 410-263-1129 • MD Relay (711)

JON ARASON, AICP  
DIRECTOR

March 8, 2010

**MEMORANDUM**

**TO:** Parties of Interest

**FROM:** Citizen Committee to Review Alcoholic Beverage Laws

**SUBJECT:** Schedule of Meetings and Public Hearing

On January 25, 2010 the Annapolis City Council established a fifteen member citizen committee to review the City's alcoholic beverage laws (R-73-09), including the limit on 2 AM licenses and recent increases in alcoholic beverage license fees. Our committee has scheduled a public hearing on April 29, 2010 at 7:00 p.m. in the City Council Chambers. The public hearing will offer an opportunity to provide the Committee with additional input and observations from the residents of the City of Annapolis, and we urge you to participate.

In an effort to provide the greatest transparency, the Committee has set up a web site which includes meeting agendas, minutes, and schedule. I would invite you to log onto the City web site which provides a link to the Committee information through the City Planning and Zoning Department site, or go directly to:  
<http://www.ci.annapolis.md.us/info.asp?page=15065>.

The committee meetings are open to the public and are currently held at the Truxtun Park Recreation Center. Additional information regarding the schedule and future meeting locations can be found on the City web site.

CC: Mayor, Alderman



# Citizens Committee to Review Alcoholic Beverage Laws

## Thursday, April 29, 2010, 7:00pm

### City Council Chambers

### MEETING MINUTES

---

#### I. WELCOME

Chair Chellis called the meeting to order at 7:02pm in City Council Chambers. She invited members of the public to visit the Planning and Zoning website where the Committees' information and minutes of the meetings can be found. She also invited them to participate in the meetings that are held on Tuesdays at the Truxtun Park Recreation Center.

#### II. INTRODUCTION OF THE COMMITTEE

Introductions of the Committee members were made.

##### Commissioners present:

Whitney Chellis, **Chair**  
Ted Levitt  
Charles Grayston  
Valerie Miller

Denise Worthen  
Lynne Jones  
Vince Quinlan  
John Giannetti

Vic Pascoe  
Gilbert Renaut  
Brian Cahalan  
Sean O'Neill

##### Staff present:

Jacquie Rouse

Dr. Sally Nash

#### III. REVIEW OF R-73-09

Chair Chellis noted that the purpose of the hearing is to provide the public with an opportunity to comment on the issues identified in Resolution R-73-09 that established the 15-member Citizen's Committee to Review Alcoholic Beverage Laws (CCRABL). The Committees' purpose is to review alcoholic beverage laws, the limit on 2:00am licenses, and also the recent increase in alcohol licensing fees. The Committee hopes that some of the comments will assist them in formulating its recommendations to the City Council.

#### IV. PUBLIC HEARING

Alderman Israel was given opportunity to speak first but noted that it is his intention to listen to the comments from the public. Alderman Arnett was also provided opportunity to speak and echoed Alderman Israel's comments.

Chair Chellis noted that there were several members of the public that were unable to attend the meeting so sent in written testimony or emails that will be included as part of the record. These include Ms. Bevin Buchheister, President of Ward One Residents Association, Don Seto, Joe Sachs, Brenda Desjardins, Thomas Fridrich, Stephen and Jennifer Shin, and Jodi Pratt.

Mr. Dirk Geratz, President of the Murray Hill Residents Association, stated that the resident association opposes changing the current liquor license laws and the limitations on the 2:00am licenses but understands that the Committee has been appointed to study this particular issue so would like something successful to come out of this effort. He offered the following suggestions:

- 1) It is essential that there be a reasonable diversity of uses in order to create a healthy downtown and to make sure it is family friendly.
- 2) If there are changes made, that the Committee consider making all uses that

- involve alcoholic beverage service go through the special exception process.
- 3) The Committee should consider and review the criteria by which the City determines a special exception for a restaurant or bar. What are those standards and do they need to be fine tuned.
  - 4) Also, how to enforce those conditions that re applied to these uses.
  - 5) The Committee should consider after the first year and possibly every subsequent year, a review of the restaurant and bar to ensure that there is no violation of the special exception, crime reports or no legal issues. Maybe this occurs only where there is a report on a particular bar so that all bars are not penalized. He suggested that there be a report by the Planning and Police Departments to document if there are any zoning violations. If warranted a hearing should be held to allow the Director or City to modify the existing conditions or possibly remove the license due to violations.
  - 6) If 2:00am licenses are allowed on West Street, the Committee should consider a buffer if there is a distance between a residence and a restaurant.
  - 7) The Committee should consider creating a sales ratio between food and liquor sales explaining that there are many jurisdictions that have a percentage of sales on alcoholic beverages.
  - 8) He concluded by suggesting that a Bar and Restaurant Association or Downtown Merchant's Association be established where the businesses all work together on common marketing, self enforcement and maintenance.

**Robert Worden**, 30 Murray Avenue, the Committee should understand that the impact of 2:00am drinking not only affects the downtown area but neighborhoods as well. He went over the some of the impacts/destruction that occurs in his neighborhood. He is awoken at 2:00am by people trying to locate their cars because there is free parking on the neighborhood streets. He unsure what community need is driving this type of behavior. He believes that the late night behavior occurs at 2:00am when the people are leaving the bars not at midnight when they are transferring bars.

- 1) He recommends that the Committee does not universally expand the alcoholic beverage service license and that the current 2:00am licenses be rolled back to midnight.
- 2) He believes that the existing laws are not being enforced so maybe there needs to be more citizen participation.
- 3) He suggested that the Committee recommend to the City Council that they delay the vote on extending or liberalizing the 2:00am liquor licenses until the results of more parking enforcement are evaluated.

**Frederick Matos**, 40 Ironstone Court, noted that in the City of Annapolis, a liquor license is a license to make money and the current costs of a liquor licenses is \$250. He recommends that the City consider auctioning liquor licenses because an auction is economically efficient because it will go to the person who values the license the most. He would like to see more positive comments from the Committee on the possibility of an auction and recommends that there be a review of the ordinances or code line by line to see if this is feasible.

**Sandy Cohen**, 128 Lafayette Avenue, commented that when zoning treats some property owner differently than others, it has large economic consequences so zoning become unfair in this respect. She noted that the legal question is whether the distinction that zoning makes is based on some rational policy. She asked what rational basis is there for

continuing the current zoning on downtown bar. She reiterated two policy reasons that the Committee may want to perpetuate this distinction unless it wants to rollback licenses to midnight.

- 1) She noted that serving alcohol without food is enormously profitable that why there is demand for 2:00am license. If late night bars were available as a use to all property owners in the zone than bars would drive out all other retail uses. If the City wants to continue with this rationale than the City would need to put a limit or put a cap on the number of 2:00am bars.
- 2) She noted that even where rules on nuisance behavior are enforced; late night bars are incompatible use when located next to residences' bedrooms. There are no buffers. She asked that the consideration be focused on where 2:00am bars will be located because it is incompatible to have some uses in specific places. She concluded that from a residences view, they have certain expectations because they have investments in the neighborhood.

**Sveinn Storm**, 130 Dock Street, explained that there is a lot of discussion regarding fairness and the Committee should focus on this issue. He and his wife moved because of the late night drinking and parking issues in the neighborhoods. He explained that the front window of his ice cream business was broken out and costs have increase in his insurance fees as a result. He recommended the following to the Committee:

- 1) There needs to be a message sent that there will be enforcement because this type of behavior can drive a business out of business.
- 2) He is not confident that things will improve if 2am license are granted to businesses. If they are granted than there need to be strict enforcement.
- 3) He noted that a message needs to be sent to patrons that if they come to Annapolis to drink than they need to drink responsibility. They need to know that there will be sobriety checkpoints or other enforcement activity.
- 4) He noted that Armadillos is successful because the owner cut off the patrons when they have had enough to drink. The owner also calls cabs and respect his business neighbors as well as his own business. In essence, the owner provides responsible bar ownership.

**Orlando Ridout** – 110 Duke of Gloucester Street, Architectural Historian, emphasized that this is a not a small minority of people who are facing these problems. He commented that regular traffic stops will reveal that most drivers leaving bars are drunk.

- 1) He defined buffering as primarily being related to the noise that the bar makes from front door. However, buffering is not the issue.
- 2) He noted that parking is a major issue due to damage to the car so enforcement is important.
- 3) There also needs to be a clarification of those bar owners who are violators.

**Bevin Buchheister**, President of Ward One, stated that the Ward One Association has worked with the City and the businesses to create a livable/workable balance of property uses downtown.

- 1) She noted that one of the greatest concerns is the balance of property uses downtown. If all the property owners downtown become eligible for a 2:00am licenses, it would not be fair to the some of the business owners. Ward One believes that any extension of licenses for any business downtown will drive out business and tip the balances of the

other uses. She noted that some of the speakers that will follow will flesh out some of the suggestions that the Committee should consider regarding preserving the balance of uses downtown; preserving the historic character downtown; the licensing issue downtown and treating bars like bars and restaurants like restaurants downtown; issues of citizens complaints and the need for a clear mechanism to address them; and suggestions on controlling patrons behavior to minimize impact to neighborhood and how to address parking.

**Sharon Kennedy**, excerpted the goals of the three major City plans which is the need to have something for everyone in the downtown area. She noted that the issue of preserving mixed uses downtown is at the core of the discussions. She offered the following suggestions:

- 1) She believes that a cap system on the number and type of licenses is in the public interest and is consistent with the public need to achieve a shared community vision for a viable, diverse downtown commercial core.
- 2) She also noted that that it is important that the special exception remain a part of the regulatory process and it is necessary to create clear and objective standards for the criteria of special use in the City.

**Catherine Shultz**, 120 Market Street, encouraged the Committee to focus on the character of Annapolis and what kind of community it should be. She noted that a key to Annapolis is preserving the essential characteristics of downtown. The key to preserving the essential character downtown is a well designed mix use.

- 1) The Committee is encouraged to explore a service licensing fee structure so those license holders who generate the greatest expenditure of public funds should pay the greatest costs.
- 2) The Committee is encouraged to explore Chief Pristoop's suggestion of a downtown partnership where all businesses should contribute to a civic downtown fund.
- 3) Create an established graduated license fees structure for those package stores that sell beer/wine based on linear shelf space.
- 4) Restore the distinction between bars and restaurants.
- 5) Explore allowing bars/ to stay open after closing without the service of alcohol to serve coffee, foods and the use the facilities before patrons head home.
- 6) If the Committee determines that realignment of midnight and 2:00am license holders are necessary than it should consider carefully defining public interest and establishing criteria for granting 2:00am licenses.

**Joe Budge**, 9 Randall Street, will be discussing enforcement on the premises.

- 1) He endorsed the Committee recommendation that there be one or more full-time liquor inspectors whose work hours will vary to assist with enforcement. There needs to be some kind of action when the offense occurs.
- 2) The Liquor Board needs to have clear, published and fair procedures for accepting and responding to public complaints.
- 3) The Committee should consider adding temporary loss of the 2:00am license and triggering of an automatic renewal hearing if an establishment has two or more liquor violations to the already established list of penalties.

**Amanda Hurt-Fegley**, 238 Prince George Street, discussed how to control off premise patron behavior.

- 1) Parking guidelines can encourage visitors to have easy access to public parking options rather than parking in the downtown residential district by offering free parking in City garages after 9:00pm.
- 2) Make alternative transportation available through increased taxi cab availability.
- 3) Increase downtown Police presence with flexed reinforcement to address public overall awareness that leads to courteous behavior on the streets.
- 4) Awareness of expectations through public relations messages that encourage decent behavior to discourage blatant disregard for public and private property.
- 5) Suggest making public restrooms available through 2:00am.
- 6) Encourage early cleaning by 8:00am to improve the downtown landscape.
- 7) Recommend that the restaurants/bars contribute to public fund designated specifically for public clean up and damage repair. Perhaps a portion of a licensee fees for service could be designated toward public service announcements that encourage good behavior.

**Michael Shultz**, 120 Market Street, explained that the liquor laws directly affect the mix of business and a neighborhood. For this reason it is believed that the liquor laws should reviewed to way that looks for how it affects the neighborhoods and the City. He reiterated some of the previous suggestions and added the following:

- 1) A mandatory review of licenses after five years to ensure that the business is going in the right direction.
- 2) Developing new parking policies, increase taxi cab services/investigate taxi cab voucher programs.
- 3) Make a requirement that all commercial trash collections be completed by early morning.

**Bryan Miller**, 114 Market Street, wanted to dispel misconceptions that Ward One residents are combative explaining that the testimony tonight provided by these professional people show that there is a desire to work with the business community. Also, he would like to dispel the rumor that the Ward One residents are anti business stating that he is optimistic that Ward One can work with the Police, bar owners and the community to solve some of the problems. He is concerned with the issue of fairness of zoning.

Chair Chellis closed the public testimony portion of the meeting at 9:16pm.

## V. CLOSING REMARKS BY THE COMMITTEE

Ms. Miller thanked the public for their comments because they will be very helpful to the Committee.

Mr. Levitt commented that the biggest problem is patrons being served too much alcohol not the number of licenses being issued. This is something that the Committee needs to address.

With there being no further business, the meeting was adjourned at 9:19pm.

Tami Hook, Recorder



**Citizens Committee to Review Annapolis Alcoholic Beverage Laws  
Public Hearing, April 29, 2010  
Testimony for Ward One Residents Association**

**Bevin A. Buchheister, President  
5 Wagner Street  
Annapolis, MD 21401**

Members of the Committee:

The Ward One Residents Association continually works hand in hand with local businesses and government on issues facing downtown because we all realize that Annapolis needs a livable, workable balance of property uses that will benefit both residents and businesses alike.

Our vision for Annapolis is to create an improved, vibrant downtown that enthralls visitors and residents with its variety, excitement, quality, and beauty. We want a downtown where customers find it convenient, safe, and interesting to shop and eat; a place where businesses of many kinds thrive, where visitors and residents find stores and services they need and want. We want a downtown where rents are reasonable, and where rules are clear and enforced evenly and expeditiously. We want a downtown where the scene changes through the day and through the year, a place that is alive, growing, and always improving; a place that will generate revenue and bring our town jobs; a place that is firmly anchored in the city's essential historic character.

It's possible to make this vision become a solid reality.

Our most important civic asset, the city's essential historic character, is already here, and must be maintained and improved. We have some excellent shops and a mix of restaurants. We have the city dock and the promise inherent in the National Sailing Hall of Fame. We have entrepreneurial shopkeepers and residents who are heavily invested in the success of our city. We have an inventory of available retail shops. We have a city government with new leadership that is encouraging new ideas. These strong assets will help us achieve our vision.

The downtown we envision is not one-dimensional. It is a vibrant mix of shops of many kinds, restaurants, bars, galleries, and historic buildings and attractions.

The zoning changes proposed in 27-09 leads us away from this mixed use. The changes allow – in fact encourage – an unlimited number of licenses to serve alcohol and they allow expansion of existing restaurants and bars.

Bars and restaurants are charged the highest rents in downtown, and the rents they are charged push all rents up. The high rents for bars set an expectation, an aspiration, for all landlords. The result is that the only businesses that can afford to locate downtown are

those that generate the kind of cash flow generated by food and alcohol sales. This trend toward ever higher rents pushes other businesses out. O-27-09 creates more problems that it fixes. It takes away from mixed use, pushes us towards an imbalance of uses downtown, and we strongly oppose it.

We believe a comprehensive approach must be taken to address the complaints of current bar and restaurant owners and the concerns of residents with the goal of creating a more vibrant and varied downtown.

The speakers who follow me will address in more detail:

1. The importance preserving a balance of mixed uses of properties downtown to maintain our historic character and ideas to achieve mixed use that will benefit businesses and residents.
2. Licensing issues and how the current system of treating all bars and restaurants the same does not work and should be changed to reflect economic realities, different intensities of use, and different impacts on the community.
3. Enforcement issues including more effective use of police, effective enforcement of liquor regulations, and creating a clear mechanism for citizen complaints.
4. Suggestions for controlling patron behavior to minimize impact on neighborhoods, including parking suggestions and cleanup ideas

We present these suggestions for the committee to seriously consider in order to create the optimum balance of property uses to create a livable workable city for residents and businesses.

## **Zoning: A Livable, Workable Balance of Property Uses**

**Sharon Kennedy  
9 Randall Court  
Annapolis, MD 21401**

My name is Sharon Kennedy and I am testifying as a private citizen and not in my role as Chair of Historic Preservation Commission. Preserving the commercial core of downtown Annapolis is more than saving facades and roof forms. It involves preserving the essential character of the commercial core in a manner that promotes a mix of successful businesses targeted towards diverse and economically viable retail markets. This community goal has remained constant for over 30 years in the face of tremendous change:

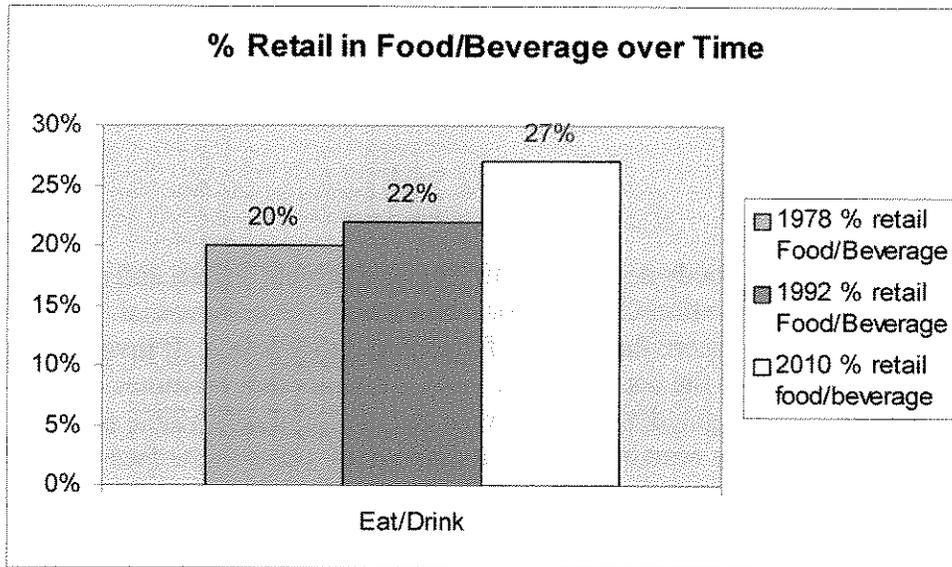
1978: In order to preserve and enhance the present mix and not overly emphasize any particular use (restaurants, bars etc) steps should be taken to encourage and maintain a generally balanced mix. *Harmon Report page IV-13.*

1992: The purpose of the Commercial Conservation Overlay Zone is to provide the City with a means of monitoring, managing and controlling the balance of uses within Ward One. The clear intent is to prevent any one use from overwhelming the commercial area. *Ward One Sector Study, page 156.*

2009: Conserving the character of downtown and the City communities, including, where appropriate, their mixed-use business and residential character. *Annapolis Comprehensive Plan Chapter 3 page 15.*

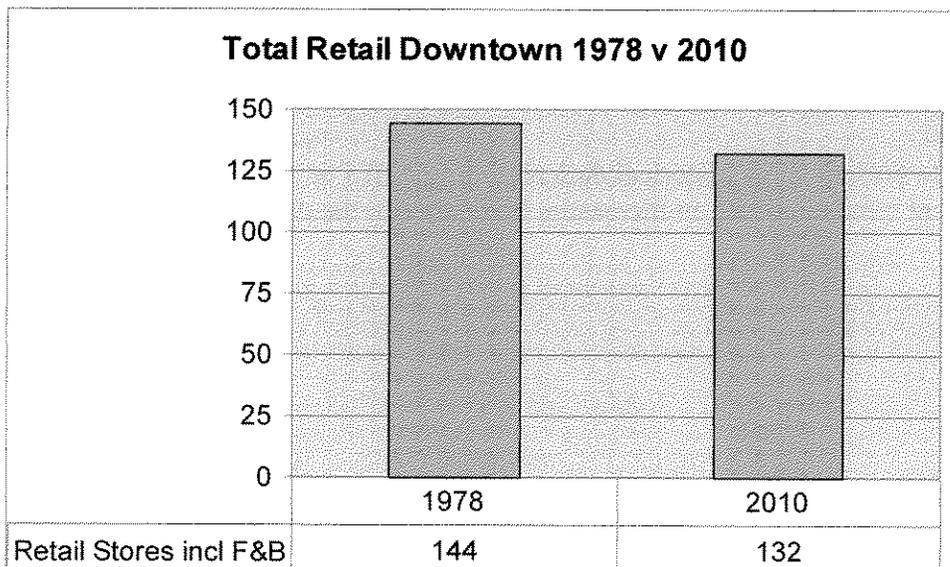
In essence, the downtown core must have something for everyone: residents and tourists; history buffs and art lovers; folks wanting sandwiches and those looking for gourmet dining; college kids and families. Alcohol Beverage Licenses (ABLs) are at the core of the food and beverage industry that must serve these many segments and they must survive and thrive while doing it. Therefore the issue of ensuring mixed use downtown is at the core of this conversation.

I'd like to present some historical data regarding ABLs at this point to illustrate the fact that recent trends indicate an increasing imbalance in the downtown sector.

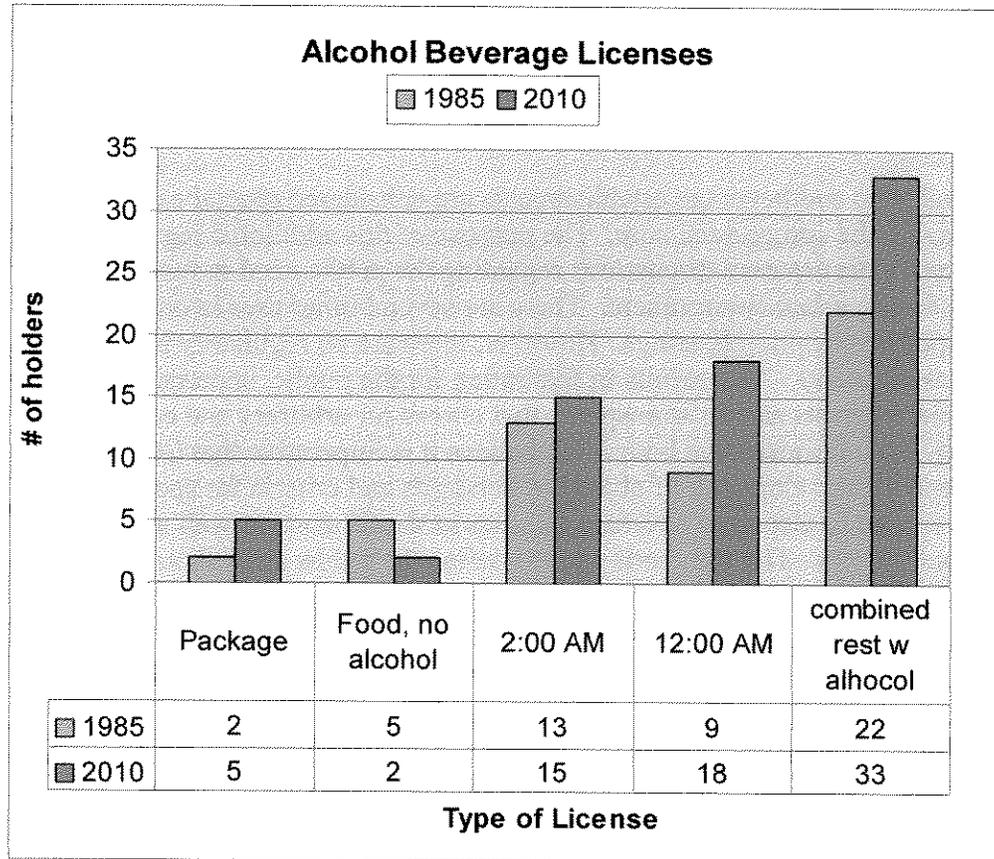


In 1978 Food/Beverage establishments comprised 20% of all downtown retail uses. By 1992 that segment comprised 22% of the retail market. There was a limit on seats associated with alcoholic beverage licenses in this period and the growth was attributable to increased “fast food” establishments with no liquor licenses. In 1994 the Ward One Sector Study compromise lifted restrictions on new alcohol beverage licenses as long as the new operations closed at midnight. Subsequently the proportion of food and beverage retail rose to 27% in downtown. It is important to note that this represents a 35% increase in the proportion of retail operations related to food & beverage. For comparison, Alexandria VA has 23% of their King Street retail in food & beverage based on square footage. Given the fact that restaurants are typically larger establishments than clothing or jewelry boutiques, this data helps give us some perspective on whether or not 27% is reasonable and/or desirable.

Over the same period, the number of retail establishments declined 8% as illustrated in the chart below, making the impact of the increased % dedicated to food/beverage that more intense.



Finally, overall alcohol beverage licenses have increased substantially since the 1994 compromise that exchanged limits on seats for limits on 2 am licenses. The chart below uses 1985 (pre-Sector Study compromise) as a base since that is the data that is available. In 1985 the seat cap was in place and therefore it is representative of the change embodied in the Sector Study trade off. It is also of interest to note that the post 1985 data includes the revitalization of the Inner West block.



Package licenses have doubled. Food establishments with no alcoholic license have been halved. The 2 am licenses have increased by a net of 2 (three new venues on Inner West with the loss of Riordans on Market Space). Midnight licenses have doubled and overall the number of licensed establishments in the C2 zone has increased by 50%.

Analysis of this data illustrates that the goal of a mixed use downtown commercial core is at risk. The Ward One Sector Compromise traded limiting 2am licenses for unlimited other licenses and that has resulted in the downtown reaching a tipping point in terms of food & beverage establishments. The concern now exists that unrestrained market forces will continue and accelerate the trend for commercial property owners to convert their real estate to food and beverage establishments to derive the highest and best use of their property. It is important to note that zoning law does not posit that private profit can overrule public good. The principle of highest and best use is constrained in the legal context of the ruling of *Euclid vs. Ambler Realty* (1926). Of more relevance to this

discussion, is the conclusion that if constraints are not employed, non food & beverage property uses (art galleries, bookstores, clothing boutiques, jewelry and gift stores etc) will all be increasingly squeezed out of the economic arena downtown.

Therefore, we believe that some kind of cap system on the number and type of alcohol licenses are in the public interest and consist with public need to achieve the community vision of the viable, diverse downtown commercial core. Of interest to note is that Georgetown employs a cap with a mandatory review every five years to assess market conditions and changes in license ownership. Several technical options exist to create a cap, either thru restricting the number allowed, restricting licensee locations (for example no closer together than 200ft or requiring a number of intervening non licensee retail locations) or other mechanisms.

Finally, all food and beverage establishments are considered special exceptions to the zoning law in the commercial core. The purpose of this additional regulatory hurdle is to have open and transparent discussions regarding the public need in respect to these land uses in a fragile urban environment. There are several other uses in other zones that also require special exception hearings. However, there are no regulatory parameters related to those assessments. This results in frustration for the public, uncertainty for the commercial interests and an atmosphere that allows for arbitrary and capricious decision making by the administrative body. We believe it is imperative that CCRABL recommend the development of objective standards and criteria for special exception hearings related to alcoholic beverage licenses in the C2 zone as well as other uses throughout the city. The standards used to define the public need should apply citywide in a consistent and logical manner.

If the committee recommends these steps – caps on both the types and numbers of liquor licenses in the downtown districts, periodic reviews to maintain a balanced business mix, and clear and unambiguous standards and criteria for granting special exceptions, we will be on the right road to retaining our city's longstanding desire to have a balanced mix of uses downtown.

## **Licensing: Towards A Workable Vocabulary**

**Catherine Shultz  
120 Market Street  
Annapolis, MD 21401**

First, I want to thank you for the hard work that you are doing. The interim report was very impressive. I am pleased that you have placed so many different and thoughtful ideas on the table.

As Ms. Kennedy said, we encourage you to continue to focus on the character of Annapolis and what kind of community we want it to be today and into the future. Your report will greatly influence the future prosperity of Annapolis. A key to prosperity is preserving the essential character of the downtown. Key to preserving the essential character of downtown is a variety of vibrant and interesting establishments and enterprises – in short – well-designed mix use.

The alcohol beverage licensing laws should support responsible bar and restaurant owners, and make it impossible for irresponsible bar and restaurant owners to continue in business. Bad bars drive out good neighbors – both other businesses and residents.

Ms. Kennedy provided you with an historic perspective on three types of licensees – package stores, restaurants and bars. These licenses come with privileges and responsibilities. We believe that an overarching principle is that license holders should pay for the public costs associated with their establishments. We encourage you to explore a “fee for service” licensing fee structure where the license holders that generate the greatest expenditure of public funds pay the most. In short, those with the greatest impact on community resources should bear the greatest costs. The components of a “fee for service” licensing fee should be well thought out, and clear to the public and license holders. We also encourage you to explore Chief Pristoop’s suggestion of a Downtown Partnership where all businesses, not just alcohol beverage licensees, contribute to a civic downtown fund.

Here are some specific suggestions for your consideration:

- Package stores -- Create a graduated license fee structure for establishments that sell beer, wine and liquor, perhaps based on linear shelf space. Annebeth’s and Mills, for example, should not be required to pay the same fee.
- Create a useful and workable distinction between restaurants and taverns/bars.
- Restaurants should have an ratio of food to alcohol that is at least 60% food/ 40% alcohol; food service should continue at least as long as alcohol is served; restaurants should close at 12 AM; “fee for service” licensing fee should be less than taverns’ fees

- Taverns/bars should serve light fare as long as alcohol is served, but there need not be a ratio of food to alcohol; 2 AM close; bouncer should be required when occupancy exceeds 80%; “fee for service” licensing fee should be greater than restaurants’ fees
- The Annapolis Alcohol Beverage Control Board presently allows taverns with its express permission to stay open after closing, provided no alcohol is served. You may want to explore permitting taverns and restaurants to stay open after closing - without the sale of alcohol -- to allow patrons to have coffee and light fare, for example, and use the facilities before they head home.

Attached is a list of ideas from other jurisdictions for your consideration. Our suggestions are summarized in this chart:

	<b>Food</b>	<b>Ratio Food Sales to Alcohol Sales</b>	<b>Fees</b>	<b>Closing Time</b>	<b>Special Conditions</b>	<b>Other</b>
<b>Bars/Taverns</b>	Light fare as long as alcohol is served.	None required.	Based on services required; higher than restaurants.	2 AM	May remain open serving just food past closing with ABCB approval.	Bouncer required when more than 80% occupancy.
<b>Restaurants</b>	Must be served as long as alcohol is served.	Yes, suggest 60% Food to 40% alcohol	Based on services required; lower than bars/taverns.	12 AM	May remain open serving just food past closing with ABCB approval.	

If you determine that there should be a realignment of 12 AM and 2 AM license holders, we urge you to carefully define “public need” and establish criteria for granting licenses. And, for the reasons explained by Ms. Kennedy, we strongly encourage a cap on all licenses, those allowed to stay open until 12 AM and those allowed to stay open until 2 AM. The cap could be a finite number, an objective measure such as “no additional alcohol serving establishments within 200 feet of another alcohol-serving establishment”, or other similar rule.

A steady increase in the numbers of liquor licenses downtown, even a slow one, will eventually erode the concept of mixed use that is so necessary for a vibrant, successful downtown. A cap would prevent that eroding creep.  
Thank you.

## **Establishment Enforcement: Towards Workable Rules**

**Joe Budge**  
**9 Randall Court**  
**Annapolis, MD 21401**

Your committee has grouped all enforcement of alcoholic beverage laws into one topic. For the sake of clear discussion we believe it is important to divide this arena into two sub-topics: Enforcement of Laws and Regulations on the premises of licensed establishments, and the control of patron behavior once patrons have left the licensed establishments. I will speak tonight regarding on-premise enforcement; Mrs. Fegley, who follows, will address off-premise patron behavior.

The on-premise rules include forty-odd municipal laws, over one hundred ABCB regulations, and an uncountable host of Article 2B State laws. Exactly two of them are misdemeanors – on-premise possession of alcohol by a minor and presenting false ID to obtain liquor. Lt. Seidel and Cpl. Medley described to the Committee the operations that the Annapolis Police Department conducts to enforce these laws. We support these efforts, only wishing there were more of them.

I would like to focus the majority of my remarks on the laws, rules and regulations that are entirely civic. Our civic regulations come in a variety of shapes and sizes. I reassure you that I have no intention of digging into all of them. With your indulgence I'm going to pick on just one because it does such a good job of illustrating so many of the points I wish to make: ABCB Rule 3.01.H.2. This particular rule states that all doors and exits must be closed all the time, except for package stores.

In the grand scheme of rules and regulations there are some rules that are rigorously observed and, presumably, enforced. You would be very hard pressed to find an establishment that stays open after closing time, for example. 3.01.H.2 is at the complete opposite end of the spectrum – on a warm spring evening we walked downtown and found over one-half of the establishments with doors propped open. Names and numbers are not important tonight – like I said, this is for the purpose of illustration. The important point is that there does exist a broad spectrum of enforcement – which ranges from rigorous to non-existent. We need to examine and address this spectrum.

First let's look at the enforcement mechanism. It's obvious there is none, at least as far as this rule is concerned. The Police told the committee their attention span falls off quickly below the crimes and misdemeanors level. In his comments to the Safety Committee last week Chief Pristoop reiterated that the Police Department does not wish to engage in much enforcement of purely civic regulations. We can't disagree with this. Is an open bar door something you'd call the Police for? They have better things to do. We strongly endorse the suggestion for one or more full-time liquor inspectors who can work variable hours of the day to enforce all of the Board's regulations.

Next we must recognize that the majority of liquor law violations are qualitatively different than many of the civic violations the City is used to dealing with. Liquor law violations are inherently ephemeral. For example: if someone erects an unpermitted fence in the middle of the night, a neighbor can complain to Planning and Zoning the next morning, an inspector can visit the site, and the administrative penalty process can begin to grind. That fence isn't going anywhere. On the other hand, if a liquor establishment's door is propped open one night and a passerby complains – an inspector can visit the next morning and it would be perfectly normal to find the door shut tight.

This speaks to two points: One, inspectors must have somewhat flexible hours so that they can respond to complaints. But there is no way one or two inspectors can be “on call” and cover all the hours during which drinking establishments are open. So, two, the Liquor Board needs a clear, published, and fair procedure for accepting and responding to public complaints.

The final point I'd like to make about 3.01.H.2 is that the Committee and/or the Liquor Board should review the regulations themselves. Does this regulation still serve a purpose? If so, it should be enforced. A scenario where some rules count and some rules don't is simply a recipe for regulatory disaster. On the other hand, if the regulation is ignored because it's obsolete, let's get rid of it. We don't need to waste everyone's time with enforcement purely for the sake of enforcement.

The last element of on-premise enforcement is the penalty phase. The Committee has suggested several enhancements that we generally support. I would like to offer two additional suggestions:

- Add temporary loss of 2AM license to list of penalties that can be imposed by ABCB
- Trigger an automatic Review Hearing at Renewal if an establishment has had two or more liquor violations during the ABCB violation look-back period (currently 4 years).

Thank you.

## **Good Neighbors Policies**

**Amanda Hurt Fegley**  
**238 Prince George Street**  
**Annapolis, MD 21401**

Off-premise patron behavior doesn't have to "bad" or "rowdy" or "disrespectful." With some encouragement, cooperation and clear guidelines, off-premise patron behavior can be decent and comfortable for the community at large.

As Chief Pristoop suggested at the Public Safety Committee meeting of the City Council, a series of small steps taken collectively could cause a cumulative and substantial improvement. For instance, parking guidelines could encourage visitors to have easier access to public parking options rather than seeking parking in residential parking districts. An example could include free parking at the city's garages after 9:00pm. An alternative to driving to drinking establishments downtown includes increased taxi cab presence and availability. If patrons understand that alternative transportation is readily available, they can take advantage of a valuable service and lessen the potential for a traffic-related incident.

Increased downtown police presence, with FLEX reinforcements, could address overall awareness that leads to courteous behavior on the streets. Awareness of expectations, i.e., public relations messages that encourage decent behavior, could discourage blatant disregard for public and private property. We suggest public restrooms be open and available through the 2AM closing hour. And, yes, we understand public restrooms require maintenance and security.

Maintenance and clean-up is a concern. Cleaning up after a busy night is an important part of restaurant/bar ownership, and encouraging early, early morning clean up would improve the downtown landscape immensely. Ideally, the streets and sidewalks and alleys could be cleared out by 8:00AM. Downtown isn't only for night-time bar patrons. Many people from all of the city's wards make downtown a morning destination for enjoying, walking, jogging, buying coffee, tea and newspapers from merchants. The previous night's leftovers are not attractive. We understand that clean up efforts extend beyond the bar premises, are not the sole responsibility of the bar owners, and demand cooperation with the city.

All of these suggestions, and others, do require funding. We recommend that the restaurants and taverns contribute to a public fund designated specifically for public property maintenance, clean up and damage repair. Several local establishments participate in fund raisers very successfully and could include such a community outreach in their repertoire. Perhaps a portion of a licensee's fees for service could be designated for public awareness campaigns that encourage and invite decent behavior. It's clear that bar owners want to be good neighbors.

Once ideas are implemented and the community participates holistically, it's incumbent on the city to enforce them. I invite the Committee to jump in with some concrete ideas that could in fact be implemented in the spirit of responsibility and cooperation.

## **Summary of Ward One Residents Association Recommendations Submitted to Citizens Committee to Review the Alcoholic Beverage Laws**

**Michael Shultz  
120 Market Street  
Annapolis, MD 21401**

Thank you for your work on this complicated and very important civic project. We appreciate the time you have put in and your concern for the many interests involved.

We believe the liquor laws directly affect the neighborhoods in which establishments are permitted, and the entire community. They affect the mix of businesses in a neighborhood, the rents; they affect the demands on many city services – including police and fire protection, traffic control, sanitation, water use, and the maintenance of public property; and they affect the kinds of visitors drawn to the city, and our city's reputation. They can really help us succeed.

It's paramount that the liquor laws and regulations be viewed in this context – in the context of the whole city and of specific neighborhoods; in the context of today and of how they will help us achieve the city we want tomorrow.

The suggestions we have made, and the examples we have used, are by and large focused on the downtown. This is not because we are parochial, or disinterested in what happens in other parts of Annapolis. It is because we feel best qualified to talk about our neighborhood and our hopes for it. While we have limited our comments to what we know best, we believe what we have suggested would help all neighborhoods throughout the city.

### **Promote mixed use**

As Sharon Kennedy noted, preserving the essential character of the downtown commercial core in a manner that promotes a mix of successful businesses targeted towards diverse and economically viable retail markets has remained a city-wide goal for more than 30 years. It is embraced in studies, plans, and policy. The recommendations you make can help achieve this goal.

To help achieve this healthy mix of businesses downtown we ask that you recommend the following points.

- A cap on the total number as well as the type of alcohol licenses. This will prevent the steady increase in the numbers of licenses we have seen in the past 15 years, a creep that if it continues will undermine the mixed use that is so necessary for a vibrant, successful downtown. A cap would prevent that eroding creep, and counter the steady increase in business rents tied to this use. A cap on

types of licenses will also achieve balance between the type of food and beverage establishments that focus on different and diverse market segments.

- A mandatory review every 5 years to assess whether changes in policy are needed to achieve balance;
- Unambiguous, objective standards and criteria for special exceptions related to alcoholic beverage licenses.

### **Tie licenses to costs; create distinctions between license types**

License holders should pay for the public costs associated with their establishments, but no more than that. There are clearly differences between establishment types, and these should be clarified in the law, as Catherine Shultz suggested. Those establishments with the greatest impact on community resources should bear the greatest costs. To this end we ask that you recommend the following.

- A graduated license fee structure for package good stores that sell beer, wine and liquor, perhaps based on linear shelf space.
- A distinction between restaurants and taverns/bars, with restaurants paying less for their licenses, but being required to show a higher food to alcohol ratio.
- A license fee for restaurants and for taverns based on a comprehensive, clear, and publicly available analysis of the public costs to service these establishments.

### **Enforcement**

In addition to supporting policies that encourage a healthy business mix, we also support policies that will help the city enforce current liquor laws and regulations. As Joe Budge noted, the Annapolis Police Department does not, and we think appropriately does not, strenuously enforce what are basically civic, rather than criminal violations of the liquor laws. In order to enforce those civic rules, we ask you to recommend the following points.

- At least one, and we suggest at least two, full-time liquor inspectors who can work variable hours of the day to enforce all of the Board's regulations.
- Flexible hours for inspectors, so that they can inspect at a variety of hours and respond to complaints.
- A clear, published, and fair procedure for accepting and responding to citizen complaints.

In addition to enforcement, we feel there should be clear consequences for violations and we ask that you recommend adding to the code:

- A temporary loss of 2AM license to list of penalties that can be imposed by Alcoholic Beverage Control Board;
- An automatic review hearing at the time of license renewal if an establishment has had two or more liquor violations during the control board's violation look-back period.

### **Good neighbors policies**

Enforcement doesn't stop at the establishment's door, however. As Amanda Fegley noted, a series of actions will improve the impression given visitors to our town and the quality of life for the residents who surround the city's historic commercial core. To that end, we ask you to recommend:

- Development of new parking policies that encourage visitors to use city garages and surface lots, rather than seeking parking in residential parking districts.
- Increased taxi service and investigation of a taxi voucher system funded through corporate donations.
- Increased downtown police presence, including patrols through surrounding residential neighborhoods during the hours just before and just after closing times.
- A public campaign emphasize Annapolis welcomes all well behaved visitors...but not rowdies
- A requirement that all commercial trash collections be completed, and receptacles removed from public rights of way, by 8 a.m.
- A fund for security, cleanup, and repair of public property, including the downtown streets not surrounding the commercial core.

### **Comprehensive and far reaching**

As Bevin Bucheister said in her introductory remarks, our vision is a thriving downtown, attractive to merchants, residents, and visitors. That has been this city's worthy goal for more than 30 years. The policies you are developing are a critical component in reaching that goal.

Liquor laws don't stand alone; they are a part of a mix, and in our town a very important part of a mix given the vibrancy of our downtown scene and its importance to our city. The rules you set will have consequences for a long time, not just for us in downtown, but for the whole city.

We ask you seriously consider our ideas as you develop your recommendations. And we wish you success as you work to balance many varied interests, to maintain the essential, historic character of the city, and to position our town well for prosperity.

Thank you.

**Appendix A: License Holders over Time Data****Restaurants and Package goods Stores****1985****1985****2010****2010****Main, Market Maryland only**

<b><u>Name</u></b>	<b><u>License</u></b>	<b><u>Name</u></b>	<b><u>License</u></b>	<b><u>Location</u></b>
Café Normandy	12:00 AM		12:00 AM	195 Main
Chic & Ruth	12:00 AM		12:00 AM	165 Main
Crab House	12:00 AM	Buddy's	12:00 AM	100 Main
Dimitires	12:00 AM	Aqua Terra	12:00 AM	164 Main
Hampton House	12:00 AM	Piccolo Roma	12:00 AM	200 Main
Lafayette	12:00 AM			186 Main
Little Campus	12:00 AM	Galway Bay	12:00 AM	61-63 Maryland
Old Town Seafood	12:00 AM	Ego Alley	12:00 AM	105 Main
Villa Romano	12:00 AM	AL Goodies		112 Main
Armadillos	2:00 AM		2:00 AM	132 Dock
Dockside	2:00 AM	Federal House	2:00 AM	22 Market Space
Fran O'Briens	2:00 AM		2:00 AM	113 Main
Harbour House	2:00 AM	Hells Point	2:00 AM	City Dock
Harry Browns	2:00 AM		2:00 AM	66 State Circle
Maryland Inn	2:00 AM		2:00 AM	Church Circle
McGarveys	2:00 AM		2:00 AM	8-10 Market
Middletons	2:00 AM		2:00 AM	2-6 Market
Mums	2:00 AM	Dock Street	2:00 AM	136 Dock
Pete's Poole	2:00 AM	Acme	2:00 AM	163 Main
Riordans	2:00 AM			26 Market
Burger King	none	Osteria	12:00 AM	177 Main
Le Boulangerie	none	City Dock	none	18 Market Space
Marina Pizza	none	Maria's	12:00 AM	12 Market
Pietro's	none	Subway	none	228 Main
Timmys	none			78 Maryland
Gritz	package			
Mills	package		package	87Main
		Castle Bay	12:00 AM	193 Main
		Hard Bean	12:00 AM	3 Market Space
		Joss	12:00 AM	195 Main
		Mangia	12:00 AM	81 Main
		Nano	12:00 AM	189 Main
		Annabeths	package	75 Maryland
		Big Cheese	package	47 Randall
		Mini Mart	package	222 Main
		El Toro Bravo	12:00 AM	50 West
		Luna Blue	12:00 AM	36 West
		Pad Thai	12:00 AM	38 West
		Reynolds/Sly Fox	12:00 AM	7 Church
Crate Café	2:00 AM	49 West	2:00 AM	49 West
Happy Buzzard Saloon	2:00 AM	Rams Head	2:00 AM	33 West
		Stan and Joes	2:00 AM	37 West
		Level	2:00 AM	69 West
		Tsunami	2:00 AM	51 West

**West Street**

## **Appendix B: References to Sales Ratios for Class B (hotel/restaurant) from the Maryland Code, Article 2B, § 6-201**

Compiled By Bevin Buchheister

### **Allegany County**

*....The restaurant shall be an establishment: 60 percent of its gross monthly revenue is derived from the sale of food*

**Baltimore City** (varies, includes references to certain alcoholic beverage districts and dates)

*....the average daily receipts from the sale of food must be at least 51% of the total daily receipts of the restaurant.*

*.....Has average daily receipts from the sale of food that are at least 65% of the total daily receipts.*

*.....Has average daily receipts from the sale of food that are at least 70% of the total daily receipts.*

### **Kent County**

*....When operating under this license, a holder's average daily receipts from the sale of food shall comprise at least 60 percent of the average daily receipts of the business.*

### **Montgomery County**

- 1. As a prerequisite for the initial issuance of a license under this subsection, the owner shall attest in a sworn statement that gross receipts from food sales in the restaurant or hotel will be at least equal to the gross receipts from the sale of alcoholic beverage.*
- 2. As a prerequisite for each renewal of a license issued under this subsection, the owner shall attest in a sworn statement that the gross receipts from food sales in the restaurant or hotel for the 12-month period immediately preceding the application for renewal have been at least equal to the gross receipts from the sale of alcoholic beverages.*
- 3. The Board by regulation shall provide for periodic inspection of the premises and for audits to determine the ratio of gross receipts from the sale of food to gross receipts from the sale of alcoholic beverages.*
- 4. Any regulations adopted by the Board shall include a requirement of at least monthly physical inspections of the premises during the initial license year of any licensee and the submission by the licensee to the Board, during the initial license year, of monthly statements showing gross receipts from the sale of food and gross receipts from the sale of alcoholic beverages for the immediately preceding month.*
- 5. In the event that a licensee, during the initial license year, fails to maintain the sales ratio requirement provided in this paragraph for a period of three consecutive months or after the initial license year for each license or calendar year, the Board, in its discretion, may revoke the license. The Board may require any licensee to provide supporting data as it, in its discretion, deems necessary, in order to establish that the requirements of this section relating to the ratio of gross receipts from the sale of food to those from the sale of alcoholic beverages have been met.*

**Prince Georges County**

*....A restaurant in a single area described in § 9-217(f)(7) of this article is not eligible for a Class B-DD license unless: Its average daily receipts from the sale of food and nonalcoholic beverages exceed its average daily receipts from the sale of alcoholic beverages.*

*.....The total average daily receipts from the hire of meeting rooms, bedrooms, and the sale of food of a Class BCC licensed establishment shall exceed the average daily receipts from the sale of alcoholic beverages.*

**Somerset County**

*.....This license may be issued to a restaurant which meets the following requirements and conditions: Has had daily average receipts from the sale of food in excess of those for the sale of alcoholic beverages, during the 12-month period immediately preceding the application for the license.*

**Talbot County**

*..... A license may be issued to bona fide hotels having 25 or more bedrooms located under one roof regularly serving meals or any restaurant seating at least 50 persons and which restaurant can show that at least 60 percent of the gross income is derived from the sale of food, notwithstanding the other requirements of this article, and otherwise complying with the provisions of this article.*

**Wicomico County**

*.....This license may be issued only to a restaurant that: !Has the average daily receipts from the sale of food for each month exceed the average daily receipts from the sale of alcoholic beverages. In calculating average daily receipts from the sale of food, an allocation of foodstuff contained in any mixed drink may not be included in average daily receipts from the sale of food.*

**Worcester County**

*.....Establishments which have an enclosed dining area which serves full-course meals from menus at least twice daily and have daily receipts from the sale of food in excess of that from the sale of alcoholic beverages during the effective period of the license.*

## Alcoholic Beverage License Fees

## Cost Analysis

**Fire**

Average Personnel Cost	65,680
# of man days	<u>2</u>
Total Cost	<u>131,360</u>

**Police**

Average Personnel Cost	70,680
# of man days	<u>3</u>
Total Cost	<u>212,040</u>

**Administrative****City Clerk**

Average Personnel Cost	30
# of man hours	<u>1,090</u>
Total Cost	<u>32,700</u>

Total Cost	<u><u>376,100</u></u>
------------	-----------------------

Previous Assumption	244,000
---------------------	---------

Increase/%	<b>132,100</b>	<b>54%</b>
------------	----------------	------------

~~54% Increase applied to each category.~~





COMPTROLLER  
*of* MARYLAND  
*Serving the People*

Peter Franchot  
*Comptroller*

Thad Russell  
*Director*  
*Motor-fuel, Alcohol and Tobacco Tax*  
*Regulatory Division*

June 20, 2008

Ms. Regina Watkins-Eldridge  
City of Annapolis  
Alcoholic Beverage Control Board  
Municipal Building, Room 102  
160 Duke of Gloucester Street  
Annapolis, Maryland 21401-2526

**Re: Annual Revenue and License Report, Annual Fees with Hours of Sale, and  
Address Verification Request**

Dear Ms. Watkins-Eldridge:

Enclosed please find 3 separate enclosures which require your attention.

The first enclosure is the Annual Revenue and License Report, form number COM/ATTB-66. It was revised, effective June, 2008. Please use this version. It is enclosed and may also be found on the MATT Regulatory Division website. As in prior years, this form must be completed and returned to this office no later than August 15, 2008 as required by Maryland Regulation 03.02.04.02.

The second enclosure is a copy of published pages from the 2007 Alcohol and Tobacco Tax Annual Report, reflecting the reported annual fees and hours of sale. Kindly review the information that pertains to your Board, note any corrections directly on the copy, and return it along with your completed form COM/ATTB-66. If no changes are required, please so note on the copy.

The third enclosure reflects the Liquor Board's name, address, phone and fax number as published in last year's report. Whether corrections are needed or not, please so note same directly on the copy provided and return to this office with the other applicable enclosures requested above.

Your assistance, as always, is greatly appreciated. Failure to return the second and third enclosures, as requested, will direct this office to assume the information from last year's report is correct and no changes will be made to this year's publication. Feel free to call me at 410-260-7383 if you have any questions or concerns regarding this letter or the information requested.

Sincerely,

Michele A. Lindsay  
Systems Control Manager  
Alcohol and Tobacco Tax

Enclosures

Motor Fuel Tax • P.O. Box 1751 • Annapolis, Maryland 21404-1751 • 410-260-7131 • Fax: 410-974-3129  
1-888-784-0142 (MD) (Registrations) • 1-888-784-0141 (MD) (Reports) • mft@comp.state.md.us • TTY 410-260-7157

Alcohol and Tobacco Tax • P.O. Box 2999 • Annapolis, Maryland 21404-2999 • 410-260-7314 • Fax: 410-974-3201  
1-888-784-0145 • att@comp.state.md.us • Maryland Relay 711 • TTY 410-260-7157

**Comptroller of Maryland**

**MATT Regulatory Division**  
**P.O. Box 2999**  
**Annapolis, MD 21404-2999**

**Alcohol and Tobacco Tax**  
**(410) 260-7383**  
**(410) 974-3201- fax**

**Annual License and Revenue Report**

This report must be filed with the Alcohol and Tobacco Tax office by August 15<sup>th</sup> annually.

City of Annapolis

City or County

**REPORTING PERIOD**

Reporting by Fiscal Year

Reporting by License Year

Alcoholic Beverage Control Board

Local Board or Clerk of the Circuit Court

05/08

From: month/year

04/09

To: month/year

**Annual License Information**

Type	Number of Each by Class					Total Number by Type
	A	B	C	D	Caterers/BD7	
Beer	0	1	0	0		1
Beer & Wine	4	10	0	0		14
Light Wine & Winery	0	0	0	0		0
Beer, Wine & Liquor	16	60	10	0	0	86

Grand Total Number of Licenses and Renewals Issued 111

Total Gross Revenue from Alcoholic Beverages Licenses for Report Period \*\$ 274,690.00

***PLEASE NOTE***

\* The total Gross revenue should represent the total annual licenses issued for the reporting period. If not, please explain.

ALL CATEGORIES OF LICENSES RENEWED ARE INCLUDED IN GRAND TOTAL NUMBER OF LICENSES

**EXCLUDE licenses listed below on this report**

Additional licenses added to existing licenses, temporary one-day license, special class C one-day or multi licenses, draft licenses, beer and wine tastings, festival licenses, Sunday sales licenses, pouring (P) licenses and FD.

**INCLUDE licenses listed below on this report**

- A** (off sale): Package Good Stores (A2)
- B** (on or off sale): Hotels, Restaurants, Motels (H, H/M, AL, RL, SAC, BLX, Lux Rest, Bed & Breakfast, Stadium, Special Theater)
- C** (on or off sale): Clubs, Country Clubs, Performing Arts, Veterans Organizations ( GC)
- D** (on or off sale): Taverns
- Caterers**
- BD7** (Baltimore City only)

Theresa Bucalo

7/7/2008

(410) 263-7942

Print and Sign Name

Date

Telephone #



COMPTROLLER  
MARYLAND

*Serving the People*

Peter Franchot  
*Comptroller*

James M. Arnie  
*Director*  
*Revenue Administration Division*

RECEIVED  
JUL 22 2009

July 20, 2009

Ms. Theresa Bucalo  
City of Annapolis  
Alcoholic Beverage Control Board  
Municipal Building, Room 102  
160 Duke of Gloucester Street  
Annapolis, Maryland 21401-2526

**Re: Annual Revenue and License Report, Annual Fees with Hours of Sale, and  
Address Verification Request**

Dear Board Members,

Enclosed please find 3 separate enclosures which require your attention.

The first enclosure is the Annual Revenue and License Report, form number COM/ATTB-66. It was revised, effective June, 2008. Please use this version. It is enclosed and may also be found on the MATT Regulatory Division website. As in prior years, this form must be completed and returned to this office no later than August 15, 2009 as required by Maryland Regulation 03.02.04.02.

The second enclosure is a copy of published pages from the 2008 Alcohol and Tobacco Tax Annual Report, reflecting the reported annual fees and hours of sale. Kindly review the information that pertains to your Board, note any corrections directly on the copy, and return it along with your completed form COM/ATTB-66. If no changes are required, please so note on the copy.

The third enclosure reflects the Liquor Board's name, address, phone and fax number as published in last year's report. Whether corrections are needed or not, please so note same directly on the copy provided and return to this office with the other applicable enclosures requested above.

Your assistance, as always, is greatly appreciated. Failure to return the second and third enclosures, as requested, will direct this office to assume the information from last year's report is correct and no changes will be made to this year's publication. Feel free to call me at 410-260-7606 if you have any questions or concerns regarding this letter or the information requested.

Sincerely,

Michael A. Berson  
Internal Auditor  
Revenue Accounting Unit

Enclosures



Alcoholic Beverage Control Board  
City of Annapolis

Inspector's Report

Trade Name:	Date:
Address:	Inspector:
	Type of License:
Representative:	Daytime Telephone #:

CODE: S - Satisfactory U - Unsatisfactory N/A - Not Applicable

Exterior		Bar	
Building appearance/cleanliness		Appearance/cleanliness & repair	
Parking lot condition		Number of patrons within capacity	
Noise or music audible outside of bldg.	3.01(h)3	Sinks	
		with hot and cold running water	1.09
Interior		Dining Room	
License displayed in public view		Appearance/cleanliness & repair	
Rules and Regulations		Number of patrons exceed capacity	
Records	3.01(h)9, 302.(b), 3.03(h)	Lighting sufficient to read menu	1.06
Sale to minor sign posted		Kitchen	
Marked exits		Condition/cleanliness & rpair	
Doors closed	3.01(h)2	Hot and cold running water	1.09
		Signs reminding employees to wash hands	1.10
Outside Service Area		Rest Rooms	
Appearance/cleanliness & repair		Separate facilities for female & male provided	1.08(a)
Number of patrons within capacity		Condition/cleanliness & repair	1.08(c)
Service Adequate		Hot & Cold water working	1.08(b)4
		Towels & Soap available	1.08(b)5

Comments or explanation of any violations noted: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Instructions given to licensee or representative: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Signature of Licensee or Representative: \_\_\_\_\_  
 Signature of Inspector: \_\_\_\_\_



## Proposed Simplified Fee Structure

<b>Restaurants</b>		
<b>Base Fee (Open until Midnight)</b>		
<b>Category</b>	<b># of Seats</b>	<b>Rates</b>
Small	Less than 50	\$1,000.00
Medium	51-150	\$1,500.00
Large	Over 151	\$2,000.00
<b>2:00 AM Add-On</b>		
<b>Category</b>	<b># of Seats</b>	<b>Rates</b>
Small	Less than 50	\$1,000.00
Medium	51-150	\$1,500.00
Large	Over 151	\$2,000.00
<b>Off-Premises Add-On</b>		
<b>Category</b>	<b># of Seats</b>	<b>Rates</b>
All	All	\$1,000.00
<b>Entertainment Add-On</b>		
<b>Category</b>	<b># of Seats</b>	<b>Rates</b>
All	All	\$1,000.00

<b>Package Goods</b>		
<b>Base Fee</b>		
<b>Category</b>	<b>Sq. Ft.</b>	<b>Rates</b>
Small		\$2,200.00
Large		\$2,700.00

<b>Hotel and Yacht Club</b>	
<b>Base Fee</b>	<b>\$6,000.00</b>



**CITY COUNCIL OF THE CITY OF ANNAPOLIS**

**RESOLUTION NO. R-06-10 Revised**

**Introduced by Mayor Cohen**

LEGISLATIVE HISTORY			
First Reading:	Public Hearing:	Fiscal Impact Note:	120 Day Rule:
03/08/10	04/26/10		07/06/10
Referred to:	Referral Date:	Meeting Date:	Action Taken:
Finance Committee	03/08/10		

**A RESOLUTION concerning**

**FY 2011 Fees Schedule Effective July 1, 2010**

**FOR** the purpose of specifying fees that will be charged for the use of City services for FY 2011.

**WHEREAS**, Section 6.16.050 requires that, concurrent with the submission of the proposed annual budget, the Mayor shall submit to the City Council a proposed schedule of fees.

**NOW THEREFORE BE IT RESOLVED BY THE ANNAPOLIS CITY COUNCIL** that the FY 2011 Fees Schedule shall be as attached.

**AND BE IT FURTHER RESOLVED BY THE ANNAPOLIS CITY COUNCIL** that the FY 2011 Fees Schedule shall take effect on July 1, 2001, or on the date of adoption, whichever date is later.

**ADOPTED** this 7th day of June, 2010

**ATTEST:**

**THE ANNAPOLIS CITY COUNCIL**

\_\_\_\_\_  
**Regina C. Watkins-Eldridge, MMC**  
 City Clerk

**BY:** \_\_\_\_\_  
**JOSHUA J. COHEN, MAYOR**

<b>Section</b>	<b>Type of Fee</b>	<b>Amount of Fee FY 2011</b>
2.48.100	Fee for application, appeal, or other action to Board of Appeals	\$120.00
2.52.030	Petition for annexation	\$4,000.00
4.20.050	Filing fees for nomination to public office	
	Mayor	\$120.00
	Alderman	\$60.00
	Central committee	\$30.00
6.04.140	Lien certificate	\$20.00
6.28.020	Covered Emergency Medical Services	Current Medicare Fee Schedule amount
	Non-covered Emergency Medical Services	\$500.00
7.04.030	Fee for transfer of license of alcoholic beverage	
	1/2 of the annual fee not to exceed	\$500.00
7.08.010	Fee for each license	\$12.00
7.08.020	Billposters per year	\$6.00
7.08.030	Bowling alleys per year	\$12.00
7.08.040	Miniature golf courses & other outdoor amusements, per year	\$34.00
7.08.050	Each pole, per year	\$80.00
7.08.060	Theater, per year	\$35.00
7.12.120	Alcoholic beverage license, each application	\$225.00
7.12.280	For alcoholic beverage license	
	A, off sale, package goods:	
	-1 Six a.m. to twelve midnight, Monday through Saturday	
	Beer	\$730.00
	Beer and light wine	\$1,810.00
	Beer, wine and liquor	\$3,280.00
	.c Plus on-premises wine consumption	plus 25% of the base license fee
	-2 Six a.m. to midnight, seven days per week (special Sunday license)	
	Beer	\$880.00

<b>Section</b>	<b>Type of Fee</b>	<b>Amount of Fee FY 2011</b>
	Beer and light wine	\$2,320.00
	Beer, wine and liquor	\$4,140.00
	.b Plus beer and wine tasting	plus \$480.00
	.c Plus on-premises wine consumption	plus 25% of the base license fee
	B, restaurants:	
	-1 Only with meals, six a.m. to midnight, Monday through Saturday	
	Beer	\$510.00
	Beer and light wine	\$1,190.00
	Beer, wine and liquor	\$1,890.00
	-2 Only with meals, six a.m. to midnight, seven days per week	
	(Special Sunday license)	
	Beer	\$760.00
	Beer and light wine	\$1,470.00
	Beer, wine and liquor	\$2,230.00
	-3 On sale, six a.m. to midnight, Monday through Saturday	
	Beer	\$680.00
	Beer and light wine	\$1,890.00
	Beer, wine and liquor	\$2,940.00
	-4 On sale, six a.m. to midnight, seven days per week	
	(Special Sunday license)	
	Beer	\$1,190.00
	Beer and light wine	\$2,410.00
	Beer, wine and liquor	\$3,800.00
	.x In addition, sales as authorized from midnight to two a.m.	
	Beer	plus \$410.00
	Beer and light wine	plus \$1,020.00
	Beer, wine and liquor	plus \$1,360.00
	a. In addition, off-sale Monday through Saturday during hours	

Section	Type of Fee	Amount of Fee FY 2011
	Beer	plus \$210.00
	Beer and light wine	plus \$410.00
	Beer, wine and liquor	plus \$920.00
	b. In addition, off-sale Sunday during authorized hours (Special Sunday license)	
	Beer	\$110.00
	Beer and light wine	\$160.00
	Beer, wine and liquor	\$410.00
	C, clubs:	
	On sale, six a.m. to two a.m., seven days per week	
	Beer	\$1,130.00
	Beer and light wine	\$1,890.00
	Beer, wine and liquor	\$2,260.00
	D, taverns:	
	-1 On sale, six a.m. to midnight, seven days per week (Special Sunday license)	
	Beer	\$1,130.00
	Beer and light wine	\$2,070.00
	Beer, wine and liquor	\$3,090.00
	a. In addition, off-sale, Monday through Saturday during authorized hours	
	Beer	\$560.00
	Beer and light wine	\$680.00
	Beer, wine and liquor	\$1,070.00
	b. In addition, off-sale Sunday during authorized hours (Special Sunday license)	
	Beer	\$160.00
	Beer and light wine	\$250.00
	Beer, wine and liquor	\$420.00
	E, hotels:	

<b>Section</b>	<b>Type of Fee</b>	<b>Amount of Fee FY 2011</b>
	-1 On sale, six a.m. to midnight, seven days per week	
	(Special Sunday license)	
	Beer	\$1,020.00
	Beer and light wine	\$2,410.00
	Beer, wine and liquor	\$3,460.00
	.x In addition, sales as authorized from midnight to two a.m.	
	Beer	\$610.00
	Beer and light wine	\$1,020.00
	Beer, wine and liquor	\$1,890.00
	.a In addition, off-sale Monday through Saturday during authorized hours	
	Beer	\$410.00
	Beer and light wine	\$610.00
	Beer, wine and liquor	\$820.00
	.b In addition, off-sale Sunday during authorized hours	
	(Special Sunday license)	
	Beer	\$160.00
	Beer and light wine	\$210.00
	Beer, wine and liquor	\$280.00
	F, yacht clubs:	
	All hours, on sale, seven days per week (Special Sunday license)	
	Beer	\$2,270.00
	Beer and light wine	\$4,560.00
	Beer, wine and liquor	\$6,830.00
	ICA, Institutions for the Care of the Aged:	
	On sale, seven days per week during authorized hours	
	Beer, wine and liquor	\$2,660.00
	WB, wine bars	\$2,300.00
7.12.330	Temporary special class C license to clubs.	

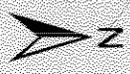
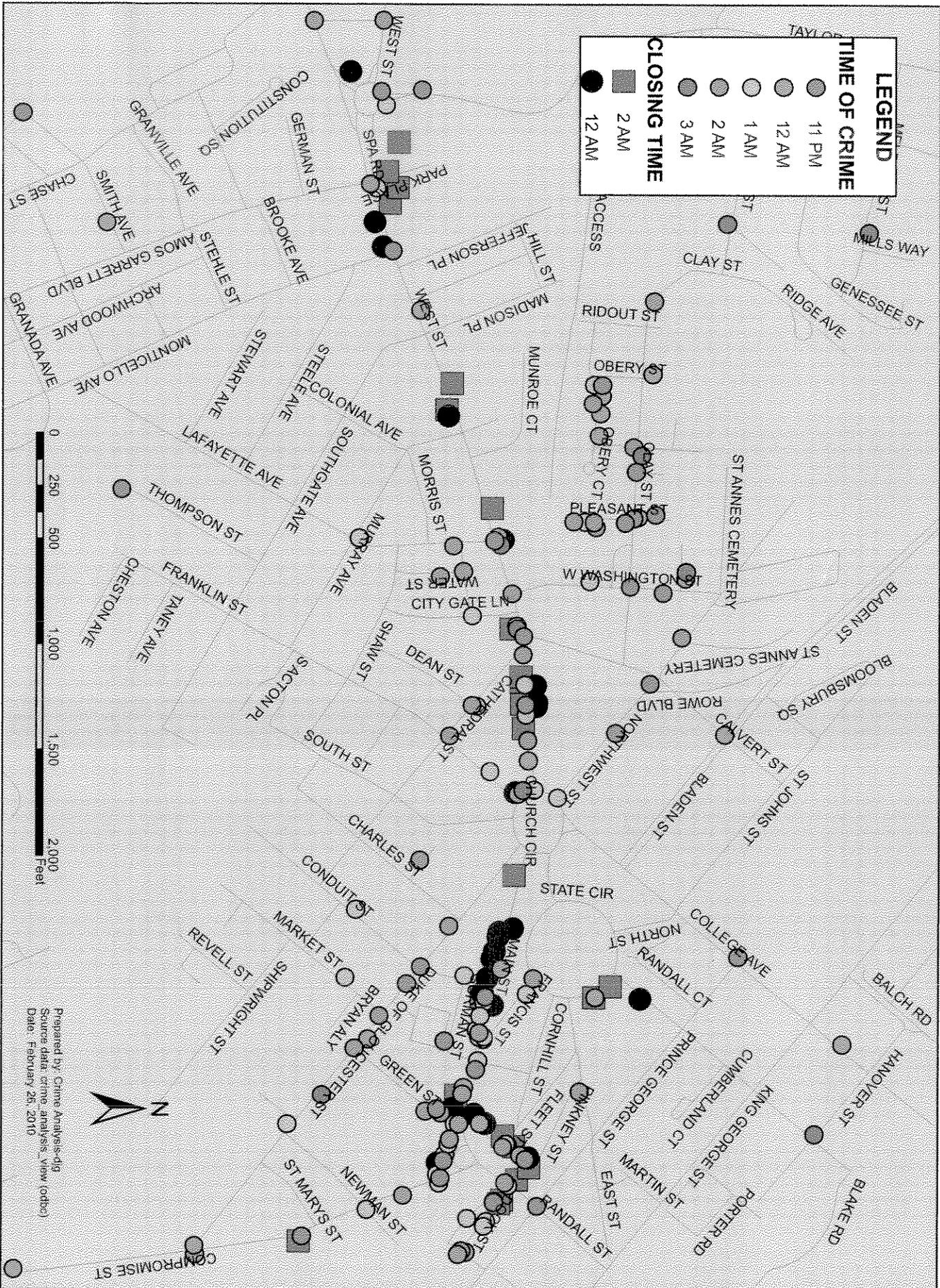
<b>Section</b>	<b>Type of Fee</b>	<b>Amount of Fee FY 2011</b>
	One-day beer (per day)	\$35.00
	One-day beer, wine and liquor (per day)	\$75.00
7.16.020	Application for a carnival or circus license	\$55.00
7.16.030	Fee for carnival or circus license	
	Class A licenses: carnivals (excluding carnivals operated by fraternal, religious or charitable organizations or volunteer fire companies)	
	From 1 to 10 concessions (per week)	\$120.00
	From 1 to 20 concessions (per week)	\$225.00
	From 1 to 40 concessions (per week)	\$450.00
	More than 40 concessions (per week)	\$560.00
	Class B licenses: Circuses per week, not prorated to a per-day basis	\$85.00
	Class C licenses: amusement devices, per annum, per device	\$30.00
	Class D licenses: arcade, per annum	\$560.00
	Class E licenses: claw machines, per annum, per device	\$450.00
	Class F licenses: pinball games, per annum, per device	\$450.00
	Class G licenses: console games, spinner-type, per annum, per device	\$450.00
	Class H licenses: console games, spinner-type or bell-type, single coin chute, per annum, per device	\$450.00
	Class I licenses: console games	
	Ball-type, single-coin-chute type, per annum, per device	\$60.00
	2 or more coin chutes, per annum, per device	\$510.00
	Class J licenses: distributor's license, per annum	\$560.00
	Class K licenses: one-arm bandit, per annum	\$450.00
	Class L licenses: shuffleboards, bowlers, bowling tables, pool tables and similar games requiring a five-cent, ten-cent or twenty-five-cent coin for operation, in connection with which no prizes or awards, including free replays, are dispensed or given in any manner whatsoever, per annum, per device	\$60.00
	Class M licenses: electronic video games, per annum, per device	\$120.00
7.20.010	Fee for a closing-out-sale license	

# *Liquor Board Study*



*Annapolis Police Department  
Crime Analysis  
2 March 10*

**CRIMES COMMITTED FROM 11:00 PM - 3:00 AM  
IN AREAS OF ANNAPOLIS BARS**



Prepared by: Crime Analysis-dig  
Source data: crime analysis\_view (odbc)  
Date: February 26, 2010

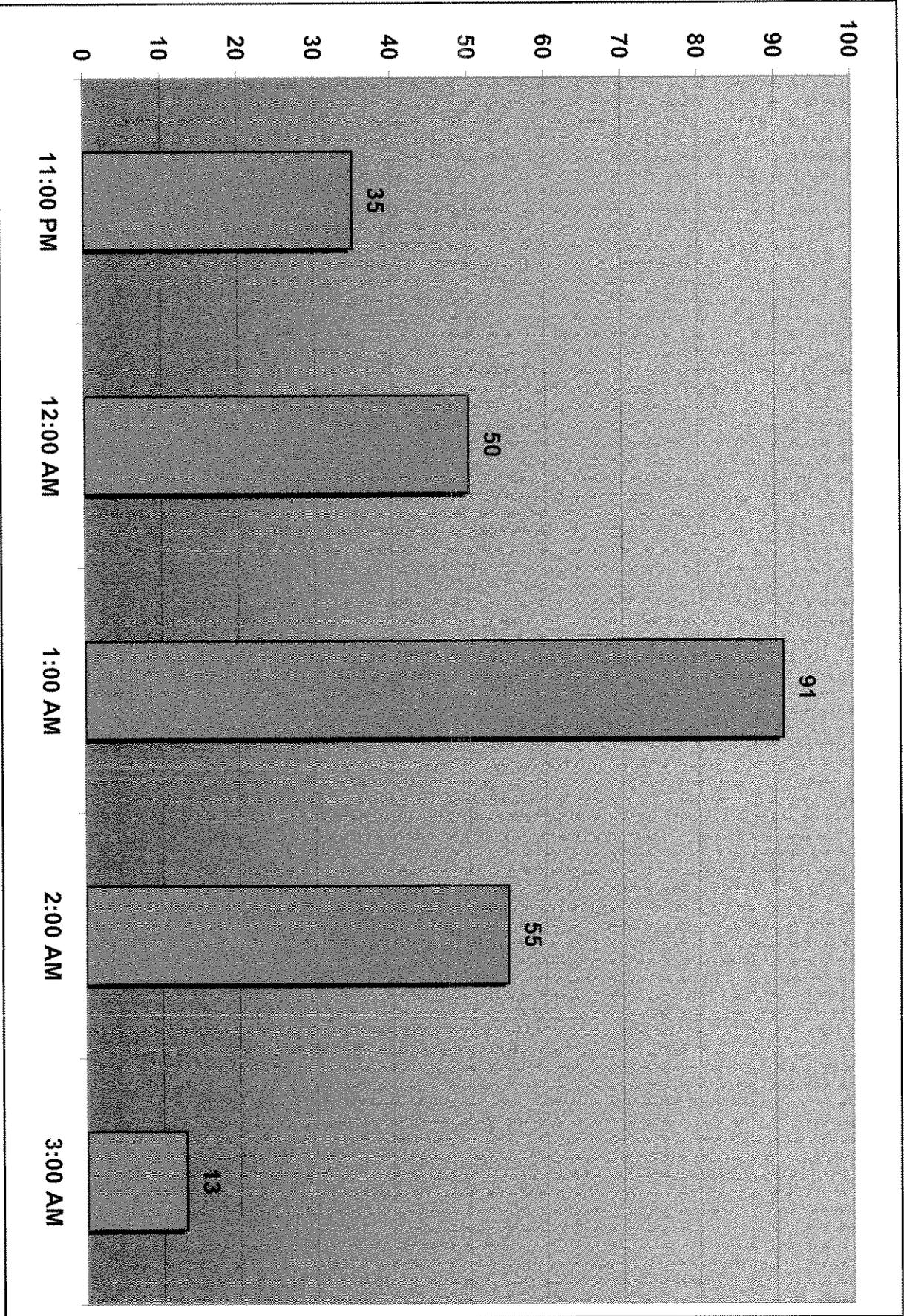


**CRIMES COMMITTED IN AREA OF ANNAPOLIS BARS  
11:00 PM - 3:00 AM\***

	11:00 PM	12:00 AM	1:00 AM	2:00 AM	3:00 AM
ASSAULT AGG	4	5	7	5	0
ASSAULT SIM	4	10	21	11	5
AUTO THEFT	0	2	0	0	0
BURG COMM	0	2	2	0	1
BURG RES	1	0	0	0	1
DISORDERLY	0	0	2	0	1
DRUGS	15	8	5	8	0
LIQUOR LAWS	5	1	7	3	1
MALICIOUS MISCHIEF	0	5	5	5	1
PUBLIC URINATION	1	8	30	13	0
ROB STREET	1	0	1	1	0
SEX OFF OTHER	0	1	1	0	0
THEFT	3	6	6	5	0
THEFT FROM AUTO	1	2	3	3	2
WEAPONS	0	0	1	1	0

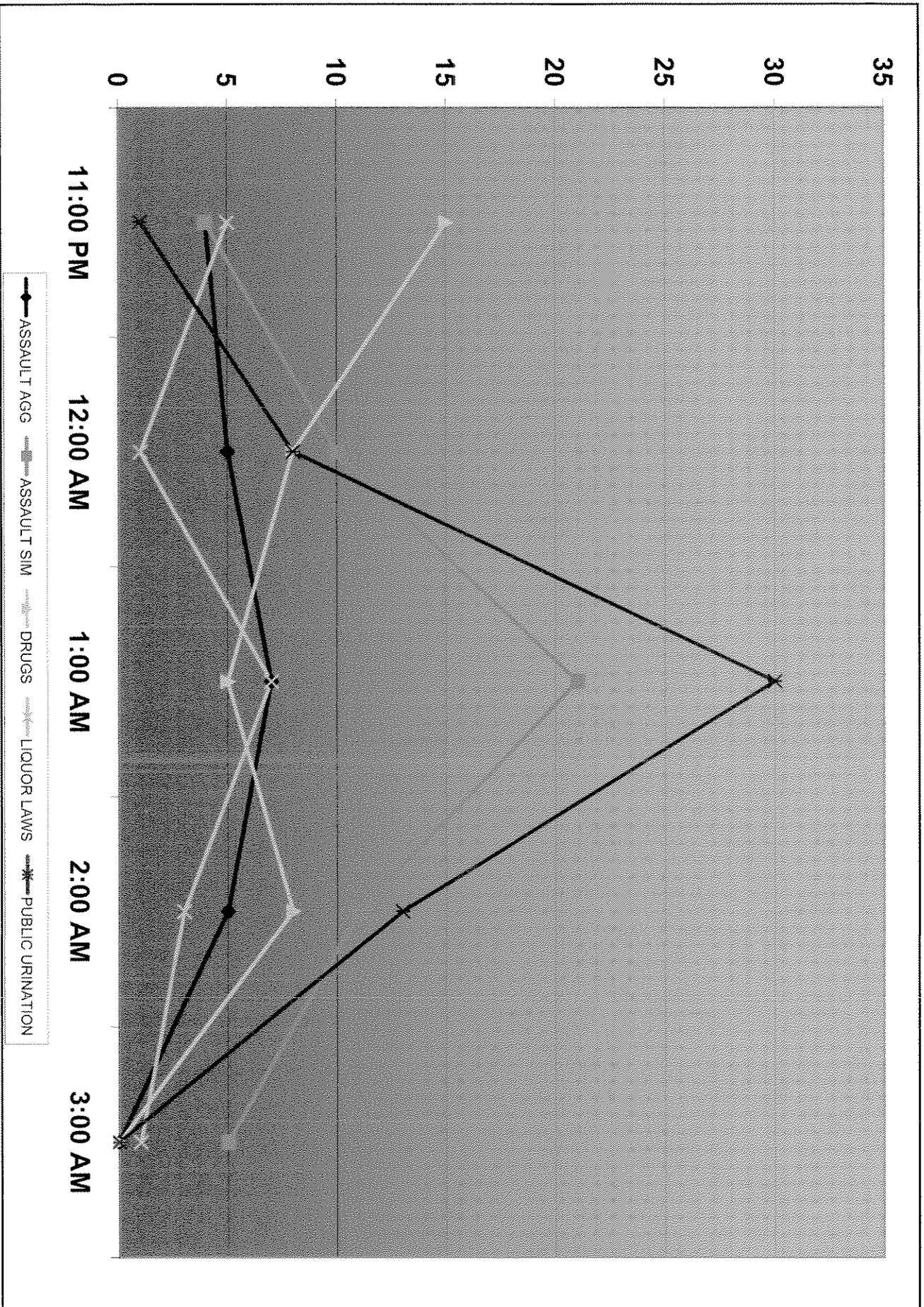
\* Data date range: 1/1/2009 - 2/26/2010

**INCIDENTS IN AREA OF ANNAPOLIS BARS  
BY TIME (11:00 PM - 3:00 AM)\***



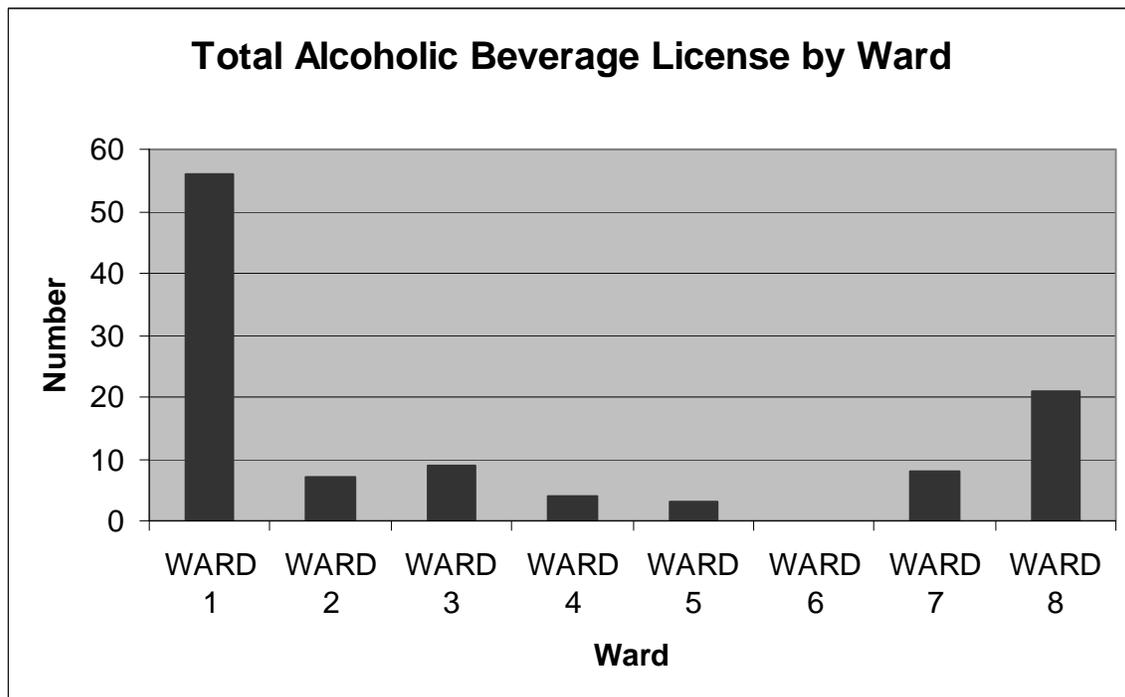
\* Data Date Range: 1/1/2009 - 2/26/2010

TOP CRIMES IN AREA OF ANNAPOLIS BARS  
BY TIME



**ALL WARDS**

<b>Ward</b>	<b>Total Licenses</b>
WARD 1	56
WARD 2	7
WARD 3	9
WARD 4	4
WARD 5	3
WARD 6	0
WARD 7	8
WARD 8	21
<b>Total</b>	<b>108</b>



**WARD ONE**

	<b>CLASS</b>	<b>HOURS</b>
ACME BAR & GRILL	B-4.x.a.b	2:00 AM
ARMADILLO'S	B-4.x.a	2:00 AM
CARPACIO TUSCAN	B-4.x	2:00 AM
DOCK ST. BAR & GRILLE	B-4.x.a	2:00 AM
FEDERAL HOUSE	B-4.x.a	2:00 AM
FADO IRISH PUB	B-4.x	2:00 AM
49 WEST	B-4.x.a	2:00 AM
HARRY'S BROWN'S	B-4.x.a	2:00 AM
HELL POINT SEAFOOD	B-4.x.a	2:00 AM
LATIN QUARTER	B-4.x.a.b	2:00 AM
LEVEL A SMALL PL	B-4.x.	2:00 AM
McGARVEY'S	B-4.x.a	2:00 AM
MIDDELTON'S	B-4.x.a	2:00 AM
O'BRIEN'S	B-4.x.a	2:00 AM
RAM'S HEAD	B-4.x	2:00 AM
STAN & JOE'S	B-4.x	2:00 AM
TSUNAMI	B-4.x	2:00 AM
AQUA TERRA	B-2	12:00 AM
BUDDY'S CRABS	B-4	12:00 AM
CAFE NORMANDIE	B-2	12:00 AM
CASTLEBAY	B-4.a.b	12:00 AM
CHICK & RUTH'S	B-2	12:00 AM
EGO SUSHI & GRILL	B-2	12:00 AM
EL TORO BRAVO	B-2	12:00 AM
GALWAY BAY	B-4.a	12:00 AM
HARD BEAN COFFEE	B-4	12:00 AM
INDIA'S	B-2	12:00 AM
JOSS CAFE & SUSHI	B-2	12:00 AM
LEMONGRASS	B-4	12:00 AM
LUNA BLU	B-2	12:00 AM
MANGIA	B-4.a.b	12:00 AM
MARIA'S ITALIAN	B-2	12:00 AM
NANO ASIAN DINING	B-2	12:00 AM
OSTERIA	B-4	12:00 AM
PAD THAI	B-4	12:00 AM
REUBEN'S	B-4	12:00 AM
REYNOLDS/SLY FOX	B-4	12:00 AM
RISTORAN PICCOLA ROMA	B-2,a.b.	12:00 AM
ANNAPOLIS MARIOTT	E-1.x.a.b	2:00 AM
ANNAPOLIS YACHT	F	2:00 AM
ANNAPOLITAN CLUB	C	2:00 AM
FLEET RESERVE CLUB	C	2:00 AM
GOV CALVERT HOUSE	E-1.x	2:00 AM
JOHN BARRY REST	E-1.x	2:00 AM
LOEW'S HOTEL	E-1.x.a.b	2:00 AM
MARYLAND INN	E-1.x	2:00 AM
USNA ALUMNI HOUSE	C	2:00 AM

	<b>CLASS</b>	<b>HOURS</b>
WESTIN HOTEL	E-1.x	2:00 AM
ANNEBETH'S	A-2.b	12:00 AM
THE BIG CHEESE	A-2.b	12:00 AM
CAPITAL LIQUORS	A-2	12:00 AM
GRITZ LIQUORS	A-2	12:00 AM
J.P. FOOD MKT	A-1	12:00 AM
MAIN ST. MINI MKT (10:00 PM restriction)	A-2.b	12:00 AM
MILLS WINE & SPRT	A-2.b	12:00 AM

CRUSH WINE HOUSE	WB-1	12:00 AM
------------------	------	----------

-----  
A-1=6 DAYS  
A-2=7 DAYS  
b=tasting  
-----

-----  
B-2=w/meals 7 days  
B-4=on sale 7 days

x=2:00 AM  
a=off sale 6 days  
b=off sale 7 days  
-----

**TOTAL LICENSES IN WARD 1=56**

**WARD TWO**

	CLASS	HOURS
BELLA ITALIA PIZZERIA (11:00 PM restriction)	B-2	12:00 AM
CANTON RESTAURANT	B-2	12:00 AM
CARLSON'S THAI KITCHEN	B-2	12:00 AM
REGINA'S CONT DELI	B-2	12:00 AM

RITE AID	A-2.b	12:00 AM
ANCIENT CITY ELKS	C	2:00 AM

**TOTAL LICENSES IN WARD 2=7**

**WARD FOUR**

	CLASS	HOURS
CHA YA AND SUSHI	B-2	12:00 AM
LEDO PIZZA & PASTA	B-2	12:00 AM
PHILLY FLASH RESTAURANT	B-2	12:00 AM
SERRANO	B-2	12:00 AM

**TOTAL LICENSES IN WARD FOUR=4**

**WARD SIX**

**NO LICENSES**

**WARD THREE**

	CLASS	HOURS
CHRIS' CHARCOAL	B-2	12:00 AM
COURT OF SHANGHAI	B-2	12:00 AM
PAUL'S HOMEWOOD	B-2	12:00 AM
RUBY TUESDAY'S	B-2.x	2:00 AM
THE WHISKEY	B- 4.x.a.b	2:00 AM

FOREST DRIVE LIQUORS	A-2.b	12:00 AM
LIGHTHOUSE WINE & SP	A-2.b	12:00 AM
PAROLE LIQUORS	A-2.b	12:00 AM
WEST STREET LIQUORS	A-2	12:00 AM

**TOTAL LICENSES IN WARD 3=9**

**WARD 5**

	CLASS	HOURS
ANNAPOLIS WINE & SPIR	A-2.b	12:00 AM
WINE CELLARS	A-2.b	12:00 AM

AMERICAN LEGION	C	2:00 AM
-----------------	---	---------

**TOTAL LICENSES IN WARD 5=3**

**WARD SEVEN**

	CLASS	HOURS
GRUMP'S CAFÉ	B-4	12:00 AM
JACK'S FORTUNE	B-2	12:00 AM
MAIN INGREDIENT	B-2.a.b	12:00 AM
MEXICAN CAFÉ	B-2	12:00 AM
ROCCO'S PIZZA	B-2	12:00 AM

BACK CREEK CAFÉ	A-2	12:00 AM
BAYRIDGE WINE & SPIRITS	A-2.b	12:00 AM

BAYWOODS OF ANNAPOLIS	ICA	2:00 AM
--------------------------	-----	---------

**TOTAL LICENSES IN WARD SEVEN=8**

Appendix M: Alcoholic Beverage Licenses by Ward  
**City of Annapolis Number of Liquor Licenses per Ward (Eight Wards)**  
**March 12, 2010-Information compiled by Charlie Greyston, Chairman ABCB**

**WARD EIGHT**

	<b>CLASS</b>	<b>HOURS</b>
CHART HOUSE	B-4.x	2:00 AM
DAVIS PUB	B-4.x.a.b	2:00 AM
ROCKFISH	B-4.x.a.b	2:00 AM
RUTH'S CHRIS STEAK	B-4.x.a.b	2:00 AM
ADAM'S RIBS EAST	B-4	12:00 AM
BOATYARD BAR & GRILL	B-4.a.b	12:00 AM
CARROLL'S CREEK	B-4	12:00 AM
LEWNES STEAKHOUSE	B-4	12:00 AM
O'LEARY'S	B-2	12:00 AM
SQUSITO	B-2	12:00 AM
WILD ORCHID	B-2	12:00 AM

DOCK SHOP	A-2.b	12:00 AM
EASTPORT LIQUORS	A-2.b	12:00 AM
SANKY'S	A-2	12:00 AM
SCOTT BROTHERS	A-2.b	12:00 AM

EASTPORT DEMOCRATIC	C	2:00 AM
EASTPORT YACHT CLUB	F	24 Hours
PEERLESS RENS	C	2:00 AM
SEAFARERS (12:00 AM Restriction)	C	12:00 AM
SEVERN SAILING ASSN	C	2:00 AM
SEVERN RIVER YACHT CLB	C	2:00 AM

**TOTAL LICENSES IN WARD EIGHT=21**

1. Aqua Terra of Annapolis, 164 Main Street
2. Buddy's Crabs and Ribs, 100 Main Street, 2nd Floor
3. Café Normandie, 185 Main Street
4. Castlebay, 193 A Main Street
5. Chick & Ruth's Delly, 165 Main Street
6. Ego Sushi & Grill, 105 Main Street
7. Galway Bay, 61-63 Maryland Avenue
8. Hard Bean Coffee, 36 Market Space
9. Joss Café & Sushi Bar, 195 Main Street
10. Mangia, 81 Main Street
11. Maria's Italian Ristorante, 12-14 Market Space
12. Nano Asian Dining, 189 A Main Street
13. Osteria 177, 177 Main Street
14. Reynolds Tea Room & Restaurant and Sly Fox Pub, 7 Church Circle and 83 Franklin St.
15. Ristorante Piccola Roma, 200 Main Street



