

ALCOHOLIC BEVERAGES ADVISORY BOARD

Marc Elrich County Executive

Meeting Tuesday, July 18, 2023 Alcohol Beverage Services

Minutes

Members and Staff Present: Brett Robison, ABAB; William Shanklin, ABAB; Man Cho, BLC; Dr. Nkemjika Ofodile-Carruthers, ABAB; Kathie Durbin, ABS Director; Anjanette Ballard, ABS Licensure Manager; Uday Berry, ABS; and Amy Samman, ABS Chief of Licensing, Regulation and Education.

Absent:

Lt. Adam Currie, Montgomery County Police Department Spiro Gioldasis, ABAB

Brett Robison called the meeting to order at 9:01 am. A motion was made to approve the May 2023 meeting minutes by Mr. Robison, seconded by Dr. Ofodile-Carruthers, and unanimously approved by the members present.

General Discussion:

Ms. Samman informed board members that three new individuals had been appointed to the Board of License Commissioners (BLC), totaling a number of five commissioners comprising the BLC. Ms. Samman also informed board members that the ABS Compliance Manager, Ron Price, was retiring after more than 30 years of service.

Board members discussed upcoming hearing for Norfolk Avenue Streetery, a new marketplace license that had been introduced in 2020 but never implemented because of Montgomery County's Covid-19 measure allowing establishments to sell alcohol in to-go containers. Mr. Robison asked if the marketplace license was part of the new commercial development for downtown Bethesda included in the Bethesda Downtown Sector Plan. Ms. Samman informed him that the marketplace license would be used to allow businesses and consumers to utilize the proposed the area as one large hospitality center. Ms. Samman also stated that the marketplace license for Montgomery County was based off of Virginia's shopping center license. Certain requirements for the marketplace license would be marked drink containers and additional security to monitor the perimeter. Ms. Durbin informed board members that the marketplace license was being re-introduced to provide businesses an option to serve alcohol in mobile containers after the sunset of the Covid-19 to-go rule in June, 2023. Ms. Durbin mentioned that

the marketplace license was originally designed for Rockville Town Square, with the Rio Lakefront area being too large. Ms. Durbin also said that Pike and Rose developers were considering a marketplace license. Ms. Durbin stated that the marketplace license was designed for developers who had little experience in the restaurant business. She said that the marketplace license was also designed to act as a large outdoor café, with the stipulation that alcohol service would conclude by 11:00 p.m.

Kathie Durbin, ABS Update:

Ms. Durbin informed board members that the recently opened Gaithersburg Oak, Barrel and Vine was the largest Montgomery County ABS liquor store, but the Montrose location of Oak, Barrel and Vine was the most successful in terms of alcohol sales. Ms. Durbin mentioned that the implementation of Oak, Barrel and Vine has helped increase the sales and availability of locally made alcohol products. Ms. Durbin also informed board members that the ABS warehouse had hired a new division chief, Kevin Hutchinson.

Ms. Durbin asked Mr. Robison if supply chain issues had affected Silver Branch Brewing Co. and other local breweries. Mr. Robison replied that it was increasingly difficult to source beer containers. Mr. Robison said that the import market had also been affected by supply chain shortages. Ms. Durbin also expressed concern about supply chain issues pertaining to commercial equipment. She said that HVAC systems were backordered, and that sourcing a system for the ABS store at 732 Cloverly St. had been pending for over seven months.

Ms. Durbin stated that the agency hoped to introduce legislation to help businesses recoup losses after the end of the to-go service introduced during Covid-19. An amendment to Maryland State legislation could potentially allow chain stores to sell to-go alcoholic beverages, which would endanger local beer and wine stores. Ms. Durbin also informed board members that theft was a major issued affecting stores, including large chains. Ms. Durbin stated that the Safeway in Olney experienced two major incidents of alcohol theft, with approximately \$5,000 worth of product stolen both times.

Ms. Samman said that she had not heard any plan to allow chain stores to sell to-go alcoholic beverages, but predicted that permission would be granted eventually. Ms. Samman informed board members that current soda and non-alcoholic beverages produced by distillers and brewers had urged the State to consider alcohol sales for chain stores. She said that competing interests had hindered any concrete legislation to be passed, and that until small business were offered protection from chain stores, the State would be hesitant to allow all chain stores to sell alcohol products.

Man Cho, BLC Update:

Mr. Cho, Chair of the BLC, informed board members that the BLC had experienced an increase in new and diverse applications for alcohol licenses in Montgomery County. Mr. Cho said that the growing number of applicants was expected to continue, including requests for transfers of ownership. Mr. Cho stated that the BLC now had a full roster of five commissioners with the addition of Barb Giniger Cooper, C. Scott Maravilla, and Patricia McKeon while retaining

Michelle Graham Hicks. Mr. Cho expressed his admiration for the diverse group of commissioners, lauding their performance at the previous hearing held on July 6, 2023.

Mr. Cho said that the BLC encountered violations pertaining to alcohol sales and service to minors, expired alcohol awareness certifications, and missing alcohol purchase records. Mr. Cho stressed that all licensed establishments were expected to have an individual with valid alcohol awareness certification on-site during business hours. He also said that selling and serving alcohol to minors was a still a major violation, made more prominent by the increased efficiency of the ABS compliance program. Mr. Cho stated that ABS inspectors were working with a full staff of underage volunteers, who had been tasked with presenting their real, vertical drivers' licenses to licensed establishments in an attempt to purchase alcohol. Mr. Cho mentioned that the BLC stressed that all licensees needed to check consumers' identification before selling or serving alcohol. Mr. Robison asked if there was a statistic to determine what percentage of sales to minors were occurring in restaurants versus sales from beer and wine stores. Mr. Cho replied that the BLC was not tracking such a statistic, but believed the violations to be equally shared between restaurants and stores. Ms. Ballard reinforced Mr. Cho's statement, stating that both restaurants and stores were guilty of selling alcohol to minors.

Dr. Ofodile-Carruthers expressed concern over Section 5.11 Beverages from Faucets, Spigots, etc./Labeling of the BLC Rules and Regulations, stating that the current five-gallon limit for premixed alcohol cocktails was a very small amount for larger restaurants. Ms. Samman explained that establishments were required to store premixed cocktails in five-gallon containers, detailing the date batched, the alcohol by volume content, and the expiration date. Ms. Samman also stated that establishments could premix multiple five-gallon containers and were not limited to one premixed container. Mr. Cho mentioned that VinoRita Wine Slushies, a new licensee, was a recent example of an establishment operating primarily by selling infusion and mixed drinks.

Mr. Cho concluded the BLC update by acknowledging the retirements of ABS Compliance Manager Ron Price and ABS Inspector Lee Williams, celebrating their services to Montgomery County.

Lt. Adam Currie, Montgomery County Police Department Update:

Ms. Samman informed board members that Lt. Currie was unable to attend the ABAB Meeting, stating that if anyone had questions for him, she would forward the inquiries via email.

Next Meeting:

The next ABAB meeting is scheduled for <u>Tuesday</u>, <u>November 14, 2023</u> at 9:00 a.m.

Adjournment:

There being no other business before the Board, the meeting was adjourned at 9:44 a.m.