

City of Salem, Massachusetts



**"Know Your Rights Under the Open Meeting Law, M.G.L. c. 30A ss. 18-25 and
City Ordinance Sections 2-2028 through 2-2033."**

The City Council Committee of the Whole

met in the Council Chamber Tuesday, October 18, 2016 at 6:30 P.M.

for the purpose of discussing the matters(s) listed below. Notice of this meeting was posted on

October 4, 2016 at 2:29 P.M.

(This meeting is being recorded)

ATTENDANCE

ABSENT WERE:

Fanico, Lovely

SUBJECT(S)

#484 – Home Rule Petitions to the General Court to convert certain seasonal liquor licenses to annual licenses and grant additional liquor licenses for the sale of all alcoholic beverages to be drunk on the premise to the following:

1. Grant 1 additional license for the sale of all alcoholic beverages to be drunk on the premises o ZXE, LLC d/b/a Merchant Hotel to be located at 148 Washington Street
2. Grant 1 additional license for the sale of wine and malt beverages to be drunk on the premises to Brew on the Grid Salem, LLC located at 217 Essex Street
3. Grant 5 additional licenses for the sale of all alcoholic beverages to be drunk on the premises to establishments located within the B5 Central Business District, the Entrance Corridor Overlay Zoning Districts or Derby and Congress Streets
4. Convert 2 Currently issued seasonal licenses for the sale of all alcoholic beverages o be drunk on the premises currently issued to Salem BC, d/b/a Bonchon located at 299 Essex Street and Salem Flatbread, LLC located at 311 Derby Street to annual licenses for the sale of all alcoholic beverages to be drunk on the premises

City Solicitor Rennard updates - Leslie's Retreat is selling license to Flatbread

Ward 2 SC license, A Mano are in bankruptcy

Councillor Lovely arrived 6:36

Pig's Eye license may not be transferable

Councillor McCarthy moves to divide the question, separating #3

Motion passes 10-0

C. McCarthy moves to strike Flatbread from #4
2nd C. Milo

Motion passes 10-0

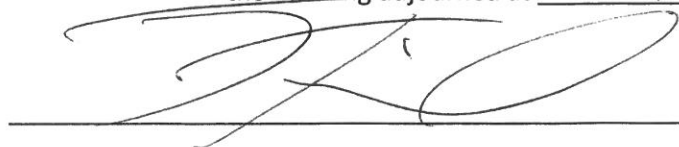
C. Furey moves approval of Sec. 1, 2, 4
2nd C. Eppley

C. McCarthy Asks value of licenses - \$82k
AA, \$30k BW

Motion passes 10-0

On the motion of C. Furey

the meeting adjourned at 7:39 P.M.



(Chairperson)

Section #3 - C. McCarthy asks Mayor about decision to offer 5 licenses, area, zoning
Mayor: Home rule unwieldy, time consuming

Approx. 10 licenses in last decade

C. Sargent asks about underlying zoning - R1, R2?
Mayor clarifies that the zoning prevails, even in an overlay - overlay was meant to target areas
Home rule license xfer pre-construction (cinplex)?
No - must be built first.

C. Eppey suggests City Council approval for final issuance on these licenses. City Solicitor will check legality. C. McCarthy concurs

Mayor expresses concern over separating areas
C. Ryan asks for clarification on issuing body.
Solicitor suggests RFP process may be used to target areas. Would formalize.

C. Gerard supportive of licenses, concerns with pace being too slow

C. Sargent supports B-S, concerned with EC

C. McCarthy asks about how other towns with blanket licenses have proceeded

C. McCarthy moves remain in Committee, 2nd
C. Sargent.

C. Dibble expresses support

C. Lovely believes 5 is a good start for licenses, and they are difficult to get

Motion to remain in committee passes 10-0

C. Foret moves adjourn at 7:40 - passes 10-0



CITY OF SALEM

#484

In City Council, September 22, 2016

Ordered:

That a petition to the General Court, accompanied by a bill for certain additional liquor licenses notwithstanding the provisions of Section 17 and 17A of chapter 138 of the General Laws as set forth below, be filed with an attested copy of this Order be, and hereby is, approved pursuant to Clause (1) of Section 8 of Article 2, as amended, of the Amendments to the Constitution of the Commonwealth of Massachusetts, to the end that the following legislation be adopted, except for amendments by the Senate or House of Representatives which conform to intent of this home rule petition:

AN ACT authorizing the City of Salem to convert certain seasonal liquor licenses to annual licenses and grant additional licenses for the sale of all alcoholic beverages to be drunk on the premises.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. (a) Notwithstanding section 17 and 17A of chapter 138 of the General Laws, the licensing authority of the city of Salem may:

- 1) grant 1 additional license for the sale of all alcoholic beverages to be drunk on the premises pursuant to section 12 of said chapter 138 to ZXE, LLC, d/b/a Merchant Hotel, to be located at 148 Washington Street;
- 2) grant 1 additional license for the sale of wine and malt beverages to be drunk on the premises pursuant to section 12 of said chapter 138 to Brew on the Grid Salem, LLC, d/b/a Brew on the Grid, to be located at 217 Essex Street;
- 3) grant 5 additional licenses for the sale of all alcoholic beverages to be drunk on the premises pursuant to section 12 of said chapter 138 to establishments located within the city of Salem's B5 Central Business District, the Entrance Corridor Overlay Zoning Districts, or Derby and Congress Streets; and

- 4) convert 2 currently issued seasonal licenses for the sale of all alcoholic beverages to be drunk on the premises under section 12 of said chapter 138, currently issued to Salem BC, LLC, d/b/a Bonchon, located at 299 Essex Street and Salem Flatbread, LLC, located at 311 Derby Street, to annual licenses for the sale of all alcoholic beverages to be drunk on the premises under said section 12 of said chapter 138.

An application for conversion of a seasonal wine and malt license to an annual wine and malt license shall not be required to notify abutters as required by section 15A of said chapter 138.

An annual license granted under this section shall be subject to all of said chapter 138 except section 17 and 17A.

(b) The licensing authority shall not approve the transfer of a license granted pursuant to this act to any other location, but it may grant the license to a new applicant at the same location if the applicant files with the licensing authority a letter from the department of revenue and a letter from the department of unemployment assistance indicating that the license is in good standing with those departments and that all applicable taxes have been paid. If a license granted pursuant to this act is cancelled, revoked or no longer in use, it shall be returned physically, with all of the legal rights, privileges and restrictions pertaining thereto, to the licensing authority and the licensing authority may then grant the license to a new applicant at the same location and under the same conditions as specified in this act.

SECTION 2. (a) The city of Salem shall charge a fee for the granting of an annual license for the sale of all alcoholic beverages pursuant to this act, which shall be paid by the licensee at the time of issuance, unless the licensing authority agrees to enter into a contract with the licensee to allow the division of the fee into multiple payments over time from a licensee. If the city elects to accept multiple payments over time from a licensee, the option shall be made available, upon request, to all qualified applicants for a license.

(b) Any fee collected by the city of Salem for a license granted under this act which is greater than the amount of the fee charged for an annual renewal of a similar license issued by the city shall be deposited into the city's economic development account and expended by it in a manner consistent with the purposes of this account.

SECTION 3. This act shall take effect upon its passage.

In City Council September 22, 2016
Referred to the Committee of the Whole

ATTEST:

CHERYL A. LAPOINTE
CITY CLERK



CITY OF SALEM, MASSACHUSETTS

Kimberley Driscoll

Mayor

September 22, 2016

Honorable Salem City Council
Salem City Hall
Salem, Massachusetts 01970

Ladies and Gentlemen of the City Council:

The enclosed Order transmits a Home Rule Petition to the legislature to convert the seasonal liquor licenses of Bonchon and Flatbread to annual licenses and to create seven new annual licenses.

One of the new annual licenses will be designated for the Merchant Hotel and one for Brew on the Grid, a new restaurant opening shortly on Essex Street. The five remaining licenses are reserved for the B5 downtown business district, the entrance corridors, Derby Street, or Congress Street. Once a specific business is identified and approved for one of these licenses, that license will then become tied permanently to that address, as with all other special act licenses. The licensee will be required to pay the standard fee, as established by the Licensing Board, and go through the usual process for receiving the license, including demonstrating they have exhausted all options to acquire a license on the private market first.

As you know, our liquor license cap is established by statute in proportion to our City's population and, at the moment, there are few – if any – privately held licenses available on the market. For a vibrant community such as Salem, especially given our high volume of visitors year round, such an arbitrary limitation places a restrictive damper on economic growth and our small businesses. Salem has gained a reputation as a dining destination over the last decade and, with the exciting and innovative new ventures we are witnessing downtown, now is the ideal time to make these licenses ready for future entrepreneurs. As you may be aware, the average wait time for an individual special act license is 10 to 12 months. For a small business owner, that can be a deathblow to their enterprise. This measure will help reduce that red tape for future entrepreneurs and employers, and ensure our thriving downtown and commercial corridors benefit from the exciting forward progress that we see today.

I look forward to discussing this request with you in greater detail and hope you will ultimately support it.

Sincerely,

A handwritten signature in black ink, reading "Kim Driscoll".

Kimberley Driscoll
Mayor
City of Salem