

## **Open Work Session**

### **Letter of Support for Proposed Changes to Class B Beer, Wine, and Liquor Golf Course License January 5, 2021**

Mr. James Allen, Chairman of the Wicomico County Board of License Commissioners, and Ms. Christine Travis, Administrative Secretary, came before Council. Mr. Allen introduced the newly appointed Commissioners, Mrs. Carolyn Hall, and Mr. Alan Hudson, who were in the audience.

Mr. Allen said the Board submitted a letter to Council dated December 10, which specifically addressed a proposed change the Board is requesting Council supports in the alcohol beverage laws, specifically, a Class B beer, wine, and liquor license for golf courses. He said, as of 2005, that particular license includes a food and beverage requirement, that being at least 51 percent food sales being greater than alcohol sales. He said typically, for a licensed premise with this requirement, they would allow three periods of operations for the business to establish that relationship and ratio between their food service and alcohol service. He said, for the golf course, however, they have not been able to maintain that relationship, and typically after about three cycles, a recommendation is made to change the license to something that does not have that requirement of 51 percent food sales over alcohol. He said, at this time they are proposing for the 2021 Legislative Session to change or remove that food and beverage requirement ratio, and allow the golf course to operate without that requirement.

Mr. Dodd said, according to their letter, prior to 2005 there was no food or alcohol beverage ratio required. He then asked what they did in the last 15 years, to which Mr. Allen responded, for the last 15 years, again, it was inconsistent. He said it is just not practical, and they have not been able to maintain that level of food service there.

Mr. Davis asked why it was imposed in 2005, to which Mr. Allen responded, he cannot answer that. He said he does not know the reasoning behind that. Ms. Travis added, she was early on with the Board at the time, and she cannot recall the rationale of them adding the food and beverage (F&B) requirement. She said a golf course is required to maintain an 18-hole golf course in order to have that license, and if they cannot maintain 18 holes, then they cannot have the license.

Mr. Davis said his problem is, if they start saying that food is not going to be required with the license, what will prevent any other establishment, such as restaurants and bars, to come in and say they want it removed from their license too, to which Mr. Allen responded, a golf course operation is typically not there for the primary purpose of lunch or dinner, it is a sporting facility. He said, in this case, particularly the one here in Wicomico County at Nutters Crossing, it is not promoted as a lunch or dinner facility.

Mr. Holloway asked if they have a kitchen and restaurant facility there, as he has not been there. He said he shares Mr. Davis' concern that he thinks they are letting the candle's nose get under the tent a little bit. He said different bars, and he will not name any, consider themselves sports bars. He said, when they say this is a sporting facility, which a golf course is, he thinks some of them could come along and say they are a sports bar, or they have darts and pool tables, so they are a sports facility also, so he thinks they are really opening up a can of worms here. Ms. Travis clarified, those establishments have Class D tavern licenses, and they do not require them to sell food, they choose to do so on their own.

She said the State side of the alcohol beverage code clearly states that a restaurant must sell more food than alcohol, and when someone comes in for a restaurant license, they are telling the Board that they are promoting themselves as a restaurant primarily. She said they have restaurants that have a restaurant license, but by 9:00 or 10:00 p.m. they turn into evening entertainment, but they are still required to sell more food than alcohol, but golf courses are never primarily promoted as a destination to go dining. She said Links Food has a small café, and they struggle, and if they do not make their food requirement, they would be required to change their class of license as a D. She clarified, they would have to lose the liquor in order to keep all ages to be able to go golfing, or, if they kept the liquor, then nobody under 21 could be on the premise, and they would, essentially, kill that golf course.

Mr. Holloway said any restaurant or bar can come in here today and say they are struggling because they all are, so do they relax the rules for everybody? He said he understands why, to which Ms. Travis responded, they are not talking about the COVID situation, they are talking long-term, and she has seen the numbers from restaurants from the COVID situation. Mr. Holloway asked if Class B is a liquor license or just a beer and wine, to which Ms. Travis responded, there are two types of restaurants - a beer and wine restaurant, and a beer, wine, and liquor restaurant, and both require more food than alcohol. She said they have had restaurants that have had to change their license.

Mr. Dodd asked if a tavern is a Class D, to which Ms. Travis responded, yes. Mr. Dodd asked if they are required to sell more food, to which Ms. Travis responded, she does not care if they sell one hot dog or plated dinners. Mr. Dodd then asked for an example of a tavern, to which Ms. Travis responded, the Warehouse across from the College next to Bank of America, and there is also Rositia on Roland Avenue near Candied Yam. She said they do not have that many tavern licenses, most of them are restaurants, and they have to report every six months. She explained, she sends out reports every six months, and they have to report their food and beverage sales. She said, if in one month they sell more alcohol than food, they do not smack them around, but this golf course is an establishment that is struggling. She explained, they are missing four out of six months and selling 60 percent alcohol versus 40 percent food, and they do not want to force them to be a D because that will really kill their golf.

Mr. Cannon said he appreciates the Board coming here, and it is refreshing to see somebody who wants to reverse some of these regulations. He said this is just a classic example of an antiquated system, in his opinion, where things need to be changed and modernized. He said people go to restaurants and bars to eat and drink, period, but when they go to a golf course, they go to golf, they do not go to sit down and eat. He said he golfs. He clarified, he does not drink, but he golfs, and he never goes to a golf course to sit down and eat, so he does not really think the environment lends itself for someone to come in and get 50 percent ratio of food to alcohol, and that is ridiculous, so he applauds them for being here.

Mr. Cannon said, in reference to what Mr. Holloway said, these restaurants are failing in the local area, and Nutters does not open its restaurant. He clarified, it is not open, but they can go in there and now it is sort of relegated to snacks and sodas, but they do not serve food there anymore, to which Mr. Holloway responded, then he guesses that explains why they cannot meet the food requirement. Mr. Cannon clarified, it is not because they do not want to, it is because it is not a money maker, as has been explained to Council tonight. He said it is not a money maker for a golf course to try to sell food, as they lose a fortune, and it is not just Nutters, but there are other golf courses that are suffering just as much.

Mr. Cannon said, in his opinion, if somebody wants to play golf, let them golf, and if they want to drink, let them drink. He said it is not such an irresponsible thing, and it is not as crazy as it was when they were passing laws like blue laws, it is antiquated, and he really applauds them for seeing that and trying to do something for the industry.

Mrs. Acle asked if tavern licenses do not allow for anyone under the age of 21, to which Ms. Travis responded, if they have the liquor portion. Mrs. Acle asked, what if the golf course would have the liquor portion, to which Ms. Travis responded, then someone could not take their daughter if she was 18. She explained, if they forced Links to change their license because they cannot make their F&B requirement, if they choose to keep the liquor, because a lot of people like their mixed drinks and not just beer, then nobody under 21 could be there. She said, if Mrs. Acle and her daughter golf and her daughter is 18, she could no longer take her. Mr. Davis asked, she could not take her daughter to golf, or she could not take her to where they are serving the alcohol, to which Ms. Travis responded, she could not take her golfing because the golf course would be part of the licensed premise. Mr. Davis said that is a residential community, so how could they deny access to somebody to be in a community because of that license, to which Ms. Travis responded, if it is a licensed premise and it is a Class D tavern, beer, wine, and liquor, then access would be denied.

Mr. Davis said Ms. Travis is saying tavern, but they are looking at a golf course, and a golf course is not a tavern, to which Ms. Travis responded, that is if they keep it as a B and get rid of the F&B. Mr. Davis said, if she is saying it is a tavern, they are serving alcohol in the building, but the golf course is outside, so is she telling him that because they are selling liquor in the building, he cannot bring an underage person out to play golf, to which Mr. Holloway responded, they sell it off the golf carts out on the golf course. He clarified, they take the alcohol out on the golf course and sell it. Mr. Allen said the entire premise is licensed for alcohol. Mr. Holloway said they sell it outside on the 18 holes. He clarified, he does not play golf. Mr. Davis asked if this is in a residential community, to which Mr. Holloway responded, yes.

Mr. Davis said he would like to see why they were forced to sell food in 2005, to which Ms. Travis responded, she has only been on the Board as an employee for a couple of years, so she cannot answer for why. She said she looked it up in the notes in their office and found when it was placed in 2005. Mr. Davis said he just has a problem with it because he is a retired police officer. He said the reason why most of these establishments with these licenses serve food is to try to consume some of the alcohol they are taking in, but now they are going to tell them they can go out and golf all day and drink, and then leave. He said he is quite sure that the Legislators in Annapolis are going to have a problem with this when they take the food out of this, to which Ms. Travis responded, they are not saying they cannot sell food, that would be their choice. Mr. Davis said he knows that, but they are taking it out so they are not going to be forced to serve it, to which Ms. Travis responded, she thinks most golf courses will still continue to serve food. Mr. Davis said Ms. Travis just told Council that they are closed, to which Ms. Travis responded, that is probably because of COVID and the reduced capacity of inside dining.

Mr. McCain said he will use Nutters as an example, but most golf courses serve snacks. He said they are really just serving snacks, and that is why they cannot meet the 51 percent because they are not doing entrees or anything like that, and there is no restaurant time. He said also, for a little clarification, they keep comparing this to restaurants, but this is specific just to golf courses. He clarified, they are only

talking about golf course licenses Class B, so removing that seems pretty innocuous. He said he is trying to think of some unforeseen circumstance, but he cannot think of anything. Ms. Travis said everybody wants a restaurant license because they can have the beer, wine, and liquor, and they can have all ages, but she reminds them that, if they sell a \$5 burger and an \$8 craft beer, they have just sold more alcohol than food because it goes by gross sales, and Nutters just has a little café with sandwiches.

Mrs. Acle asked if this is just for this one particular golf course, or for all, to which Ms. Travis responded, it is for any golf course in Wicomico County, and they only currently have two licensed as a golf course.

Mr. Taylor asked if it would be helpful to find out what other Counties do for their golf courses, to which Mr. Dodd responded, they can find that out, but this is a Work Session.

Mr. Hastings asked if the \$2,200 annual license fee would change, to which Ms. Travis responded, there would be no fiscal impact. Mr. Hastings asked what the impetus was for this change? He asked if the Board as a Body was reviewing this and thought this is something they could take care of, or did an individual from the public come forward, to which Ms. Travis responded, when they do any proposed changes to the alcohol beverage laws, Annapolis likes the local Delegation's support, so they want to make sure they have the Executive's support, and the County Council's support. Mr. Hastings again asked what the reason was for bringing this up. He clarified, he is just curious how this particular situation came about, to which Ms. Travis responded, they are faced with a decision on making Links change their license, and they do not want to be detrimental to a business that is already struggling at this time. She said golf courses are not a destination for dinner, and she could not find any rhyme or reason why it was added in 2005, and she researched all the notes in the office looking for that.

Mr. Cannon said there may have been the best of intentions, but, honestly, it is the wrong venue. He said this is outdoor sports, and he does not see where they should have mandates on how much people eat with outdoor sports because it does not work.

Mr. Dodd asked what baseball stadiums require, to which Ms. Travis responded, the stadium has a food and beverage requirement, but people are buying \$10 hot dogs and an \$8 beer. Mr. Dodd said he has mixed feelings on this, and he thinks Mr. Davis brought up a good concern about opening a can of worms with everybody coming and wanting to get their licenses changed too. He said he is just wondering why they cannot come up with a special class for the golf courses, to which Ms. Travis responded, it is a special class, it is a Class B golf course. Mr. McCain added, that is what this is, a special class. Mr. Dodd said he is not involved in a lot of drinking, so he does not pay attention to it. Mr. McCain clarified, he is talking about the law, which is that this is a special license for golf courses. Mr. Dodd said he did not even know that golf courses had people riding around on golf carts selling alcohol, so that was new to him.

Mr. Holloway said he agrees with Mr. Cannon and Mr. McCain on different aspects of this. He said the laws are antiquated, but when they relax this, they are going to have every license holder in Wicomico County, and if he was one of them he would be in line trying to get his license changed because of COVID, for one thing, because it is hurting their business. He said they cannot seat enough people, and it is not going to recover when these masks come off, so that is where he is at on this, and he agrees with

Mr. Davis that they are going to have people out there drinking all day and not eating anything, and that could result in some tragedies. Ms. Travis clarified, that can happen when it is a Class D, to which Mr. Holloway responded, he understands that, but that does not say they need to make it easier.

Mr. Dodd said the Board is looking for support from the County Executive's Office on this. He then asked what the Executive's Office has said, to which Ms. Travis responded, she reached out to them, and they have not gotten back to her yet, but she is supposed to be getting a reply this week. Mr. Dodd said, since they really have not gotten back to them, Council cannot really make a decision today anyway. He said he likes the idea of what Mr. Taylor said of looking at other Counties and seeing what they do with the liquor license. He then asked if Ms. Travis is aware of that offhand, to which Ms. Travis responded, yes. She clarified, she does not have the notes with her, they are back in the office, but she already reached out to the other jurisdictions and the Counties all do it differently. She said some Counties license golf courses as restaurants forcing them to have a food requirement and expanding the license premise to include the 18 holes, but some others do not require the F&B. She said she can actually get Council the exact information for each County, to which Mr. Dodd responded, that would be nice to know.

Mr. Holloway asked, if this license is changed, does that mean people under 18 cannot go play golf, or did he misunderstand that, to which Ms. Travis responded, that would be the choice of Links. She said Links would either have to give up the liquor and only serve beer and wine and allow all ages, or, if they want to keep the liquor, nobody under 21. Mr. Holloway asked if Ms. Travis is saying that the whole golf course has to make a decision whether they want this license that people under 21 cannot be on the premises playing golf, so it would be an adult-only golf course. Ms. Travis clarified, Links will have several decisions – do they want to license the golf course, or do they want to make all their players not be able to drink on the golf course; do they want to give up the liquor and just have beer and wine; or do they want to prevent people under 21, so they will have to make those decisions, but that will be on them which way they go. Mr. Holloway said that is what he was saying, that they will have to make a decision when they apply for this license whether they are going to allow anyone under 21 on that golf course or not. Mr. Allen said, if they do not make this change to relieve the current license of the F&B requirement, then that is correct. Mr. Holloway asked, if they change their license to what the Board is asking for, does that mean that no one under 21 can go on that golf course, to which Ms. Travis responded, she does not know which way they will want to go. She clarified, they have not even proposed this to them. She said she has three years' worth of their data, and they cannot make their F&B's, but she has not approached them yet to say they have to change their license. Mr. Holloway asked if this has not been instigated by the golf course, but is being instigated by the Board, to which Ms. Travis responded, yes. Mr. Dodd said he thought the golf course approached the Board first.

Mr. Dodd asked how many golf courses are like Nutters that sell the same alcohol, to which Ms. Travis responded, there are only two licensed golf courses, which are Green Hill and Nutters, and their kitchen has not been operational, but that was more due to COVID.

Mr. Hastings thanked everyone for being here, but especially the continued service of Carolyn Hall, who is a former City Council President and the wife of John Hall, whose seat he holds. He said Mr. Hall is just an amazing human being and neighbor.

Mr. Dodd asked what Council wants to do. He asked if they want to get more information and discuss this at another time, to which there was a general consensus. Mr. Dodd then asked if that is okay with the Board, to which Mr. Allen responded, absolutely.

Mr. Dodd said he wants to reiterate what Mr. Hastings said, and he wants to thank them for what they do. He said it is sort of like the police officers, and they really do not get the respect that they deserve, but they do a good job. He said Council will look forward to having them on the Agenda again.

Mr. McCain said they are going to need to do that pretty soon because they want to introduce this in the Legislature. Mr. Dodd said he was thinking about checking with them to see if they want to be on the next meeting for a Work Session. Mr. McCain said the Board can get the answers to Council's questions. Mr. Holloway added, they have not heard from the Executive's Office either. Mr. Dodd said they have to get the support from the Executive Office as well. There was no further discussion.



Larry W. Dodd, President, District 3



Joe Holloway, Vice President, District 5



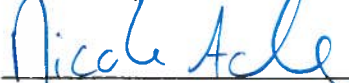
John T. Cannon, At-Large



William R. McCain, At-Large



Ernie Davis, District 1



Nicole Acle, District 2

Josh Hastings, District 4



Laura Hurley, Council Administrator