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Agenda Item: ID#19-1631 (2:00 P.M.)

Date: 5/1/2019

2019 APR 30 P 2: 17

CITY OF FRESNO
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FRESNO CITY COUNCIL



Late Submission Information Packet

Agenda Related Item(s) – ID#19-1631 (2:00 P.M.)

Contents Amended Staff Report

Item(s)

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO, CALIFORNIA, INITIATING A TEXT AMENDMENT TO THE ZONING ORDINANCE OF THE CITY OF FRESNO TO AMEND CHAPTER 15, ARTICLE 27, SECTION 15-2706 OF THE FRESNO MUNICIPAL CODE RELATING TO THE SALE OF ALCOHOLIC BEVERAGES FOR OFFSITE CONSUMPTION, AND TO FURTHER AMEND SECTION 15-2706 TO BE TITLED "THE RESPONSIBLE NEIGHBORHOOD MARKET ACT", PURSUANT TO FRESNO MUNICIPAL CODE SECTION 15-5803-A(1)

Supplemental Information:

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REPORT TO THE CITY COUNCIL

May1, 2019

FROM: Vice President Arias
Councilmember Esparza
Councilmember Chavez

SUBJECT: RESOLUTION - Initiating a Text Amendment to the Zoning Ordinance of the City of Fresno to amend Chapter 15, Article 27, Section 15-2706 of the Fresno Municipal Code relating to the sale of alcoholic beverages for offsite consumption, and to further amend Section 15-2706 to be titled "The Responsible Neighborhood Market Act", pursuant to Fresno Municipal Code Section 15-5803-a(1)

RECOMMENDATION

It is recommended the Council approve a Resolution of Initiation (ROI) to start the process of amending the Municipal Code to make changes concerning liquor sales and Conditional Use Permits (CUPs), with the primary goal of reducing the density of liquor stores and "C" store sales of liquor for off-site consumption and more stringent regulations to address related concerns.

EXECUTIVE SUMMARY

Excessive saturation of liquor stores have a detrimental effect on the quality of life of the community. The City currently has alcohol sales regulations that are insufficient and difficult to enforce, as there are a variety of existing CUP types with various provisions, and revocation of a CUP can be difficult and costly to pursue. Moving to tighter regulations will dramatically improve conditions related to these stores and their effects on the surrounding community. This ROI would begin a process that will take about six months to complete, and will include community and industry input. A draft text amendment is attached to the Resolution of Initiation, however that draft may change during the course of the public process.

BACKGROUND

The Problem

According to the Fresno Bee:

Among California's 10 largest cities, Fresno has the highest concentration of retail stores licensed by the state to sell beer, wine and liquor – more stores per 10,000 residents than Los Angeles, San Diego, San Jose or San Francisco, and more than the statewide average, a Fresno Bee analysis shows. The number of licensees exceeds what state law typically allows in a community.

The concentration comes with a geographic imbalance. Seven out of every 10 retailers licensed for off-sale beer, wine and liquor sales (for consumption off the store premises) are south of the Shaw Avenue commercial corridor, often cited as the economic dividing line between north and south Fresno, and nearly eight out of 10 bars or nightclubs in the city are south of Shaw.

The state has rules that govern how many alcohol licenses for selling beer, wine and distilled spirits can be granted in a community. A formula in the state's Business and Professions Code says the number should be no more than one for every 1,250 residents. In Fresno, that would work out to 416 off-sale licensees.

Fresno, however, had 468 licensees – or 52 more than specified by the formula in the law – as of mid-2016 to serve the 522,053 inhabitants of California's fifth largest city.

Tim Sheehan, Fresno Bee, July 30, 2017

(<https://www.fresnobee.com/news/local/article164024002.html>)

Investigation

The City conducted an investigation of over 200 liquor store locations, which found many serious CUP and legal violations, as well as excessive police calls for service, demonstrating the need for legislative changes. A report from the City Attorney's Office is attached as exhibit A.

Proposed Changes

The proposed policy changes include the following:

1. An inspection program to ensure compliance with state and local regulations with input from stakeholders. The inspection program will be under the purview of the City Attorney's Office.
2. A new progressive fine structure will be established with input from stakeholders.
3. Window signage is limited to 5% of the square footage of each window.
4. Freestanding signs are prohibited on the exterior, and freestanding advertising or alcohol displays cannot be visible from the outside
5. Director shall deny the Alcohol CUP if the ABC license is transferred from outside the City or if it has been surrendered.
6. Director shall deny an Alcohol CUP when the operator seeks a new additional ABC license. Instead, the operator must transfer a license in good standing from inside an over concentrated Council District inside the City. An operator must transfer existing licenses in good standing, as follows:
 - a. For stores under 10,000 square feet, a 1:1 transfer of licenses from over concentrated Council Districts is required (that is, granting one license and surrendering one existing license).
 - b. For stores of 10,000 feet to 30,000 feet, a 1:2 transfer of licenses from over concentrated Council Districts is required (granting 1 license and surrendering 2 existing licenses).
 - c. For stores over 30,000 feet, a 1:3 transfer of licenses from over concentrated Council Districts is required (granting one license and surrendering 3 existing licenses).
7. Alcohol CUPs will be limited to a total of one for every 2,500 residents
8. Alcohol CUPs within 1,000 feet of a school, park, and youth activity centers will not be approved.
9. A retail business with an existing CUP will be permitted to retain the CUP, unless it fails an inspection and also then fails to fully correct violations found in the inspection within 30 days.
10. Even if a business with an existing CUP is required to obtain a new CUP, it will not be denied a expansion CUP or face termination of a CUP solely due to proximity to sensitive uses, like schools, or due to saturation limits.
11. Upon sale of a business with unpaid fines, a new unrelated owner may have the fines waived by obtaining a new CUP.

The matter will return to Council following detailed analysis and preparation, and processing through the Airport Land Use Commission and the Planning Commission.

ENVIRONMENTAL IMPACT

This ROI is not a project pursuant to CEQA.

FISCAL IMPACT

No net financial effect is expected.