LIQUOR COMMON CONSUMPTION AREAS & ENTERTAINMENT DISTRICTS TO COME TO DENVER
COMMENTS FROM INC ZAP (Zoning & Planning) CO-CHAIR CHRISTINE O'CONNOR TO INC MEMBERS

WHAT: A new ordinance will allow two or more owners of liquor licensed premises to request that City Council create an Entertainment District, and that Excise & License issue a license for a Liquor Common Consumption Area. Common Consumption Areas can include both privately owned premises and public spaces, and be either enclosed or not enclosed. If you are familiar with Stanley Market Place in Aurora, that is an example of a Common Consumption Area -- privately owned and enclosed -- where people can wander with drinks from establishment to establishment. The Mayor has urged creation of Entertainment Districts in Denver for several years, although the effort failed in 2014.

PROCESS: E&L reached out to INC last year about 2018 meetings, there has been no community meeting since November 2018, until Erica Rogers attended the April 27th ZAP meeting where she shared the DRAFT Liquor Common Consumption Area ordinance. (Erica will also present at the INC May 11th Delegate Meeting.) INC learned, however, that this measure was introduced to City Council a couple of days after the April 27th meeting, leaving no time for INC to evaluate the ordinance or work with E&L prior to its introduction. INC and RNOs can submit comments to City Council, but ZAP's Platform calls for giving residents and RNOs the opportunity to be **at the table when planning and zoning issues are considered by the City.**

SPECIFIC ISSUES:
The "need" for Entertainment Districts and Common Consumption Areas is presumed, without really hearing from those who will be most impacted – surrounding neighbors. We have not seen studies and analysis of benefits and costs, such as increased revenues for the City or increased expenditures by the City to make this concept work. The ordinance creates both a brand new liquor license and much larger Entertainment Districts.

Protecting Neighborhoods:
--Excise & License believes the draft ordinance protects neighborhoods because it will only allow the Common Consumption Area licenses to extend until 2 am, as opposed to 4 am as proposed several years ago by Crisanta Duran. However, that time restriction simply mirrors Denver's existing liquor license regulations, and does not add any significant protection for neighborhoods. The state law (C.R.S. § 12-47-301(11)(b) actually allows municipalities to impose stricter limits on hours, size and security!

--Excise & License believes neighborhoods are protected by a Needs & Desires hearing, but – again – this also mirrors existing Denver liquor license procedures. Need INC point out how futile "needs" and "desires" hearings are for many neighbors? With huge Entertainment District being created, and an unlimited number of Common Consumption Areas possible, this process offers little in the way of assurances for neighbors.

--If "good cause" can be shown as to why the license should not be granted, the Director may deny the license. E&L believes that is an "added" layer of protection for neighbors. INC believes several items listed as good cause (fights, violence, liquor license violations) should be evaluated by the Director prior to moving an application for any liquor license forward, and therefore does not consider it "added" protection for neighbors.

Festivals and special events can be tremendous fun for neighbors, and Denver has Special Event licensing for those events. E&L says the CCAs are not an attempt to move away from the 15 times per year special event licensing system into more or less permanent common consumption areas. But is sounds like E&L believes there is some desire to eliminate "outside" vendors who sell liquor at special events in order to allow local owners of existing licensed premises to create the special event feel through CCAs. INC would like some clarity re the section that requires applications for CCAs to include authorizations to use sidewalks and right-of-ways,

zone use permits etc. We are unclear whether the ordinance prohibits use of public space, parks and right-of-ways unless a Special Events permit is additionally requested, or if there are steps such as zone use permits that can be granted to effectively allow use of public areas in these Common Consumption Areas. E&L might have an understanding of the answers, but it is not clear in the Draft Ordinance.

Other Areas that should be discussed:

1. Five-year trial period. E&L believes applicants need start-up time to form Promotional Associations and go through this new licensing process. INC is not convinced five years is necessary and feels a shorter trial period should be explored.
2. No limit on number of Entertainment Districts and CCAs that can be formed in Denver during that trial period. Five years of unlimited EDs and CCAs does not sound like a trial period.
3. Broad definition of "eligible neighborhood organizations." There are 3 listed: (1) RNOs are eligible only if they have been registered as an RNO for TWO years; Business Improvement Districts with no such restriction as to time in existence; and "any other type of association of residents and owners" designated by discretion of Director. This entire section needs to be discussed.
4. The draft ordinance does not specify whether the designated area will be drawn around the smaller Common Consumption Area described in the application, or the much larger Entertainment District? Since the "license" only applies to the CCA, it is likely to be the latter, but INC believes it should be applied to the Entertainment District.
5. Entertainment Districts are created by ordinance or resolution of City Council. No public process such as we see in zoning, for example. Additionally, the three distinct entities being created (Promotional Associations, Common Consumption Areas, and Entertainment Districts) are combined in one application with no clarity as to whether Council must first create the ED, and what that process looks like.
6. INC questions whether support from a BID – the BID may include the licensed premises seeking licensing -- should be considered evidence of "community" support. It could mean the business owners of an area are simultaneously the Applicant and support for such a license.
7. Definition of "evidence of community support" INC does not believe one letter or statement of support (especially if from a business district) is sufficient to demonstrate community support. INC would like to require evidence that a Promotional Association reached out to each RNO that touches any portion of the Entertainment District and CCA, and evidence that the Promotional Association attempted to enter into a Good Neighbor Agreement with surrounding RNOs. (E&L's initial response is that E&L sends a Notice of application & hearing and that is sufficient outreach. Practice indicates not all business owners do reach out to RNOs ahead of time and not all are willing to enter into GNAs even if requested to do so.)
8. Confusion about public areas. Mentioned already above.
9. E&L states that no park land/public open spaces can be brought into the Common Consumption Areas, but would like that prohibition clearly stated in the ordinance, and not await creation of regs.
10. Fees are extraordinarily low ($250 for a Promotional Association License and $250 for Common Consumption Area License). E&L states that Colorado State Law limits fees to the actual cost of administering CCAs. This needs further exploration.

It is INC's obligation to consider unintended consequences of broad measures such as bringing Entertainment Districts to Denver as well as Common Consumption Areas. We believe – if these concepts are to be tried – that the concepts needs to be clearly articulated more clearly, and be tried in a couple of specific enclosed areas first. Please send feedback based on the handout from Excise and licenses and these questions raised by INC to zoningplanning@denverinc.org.