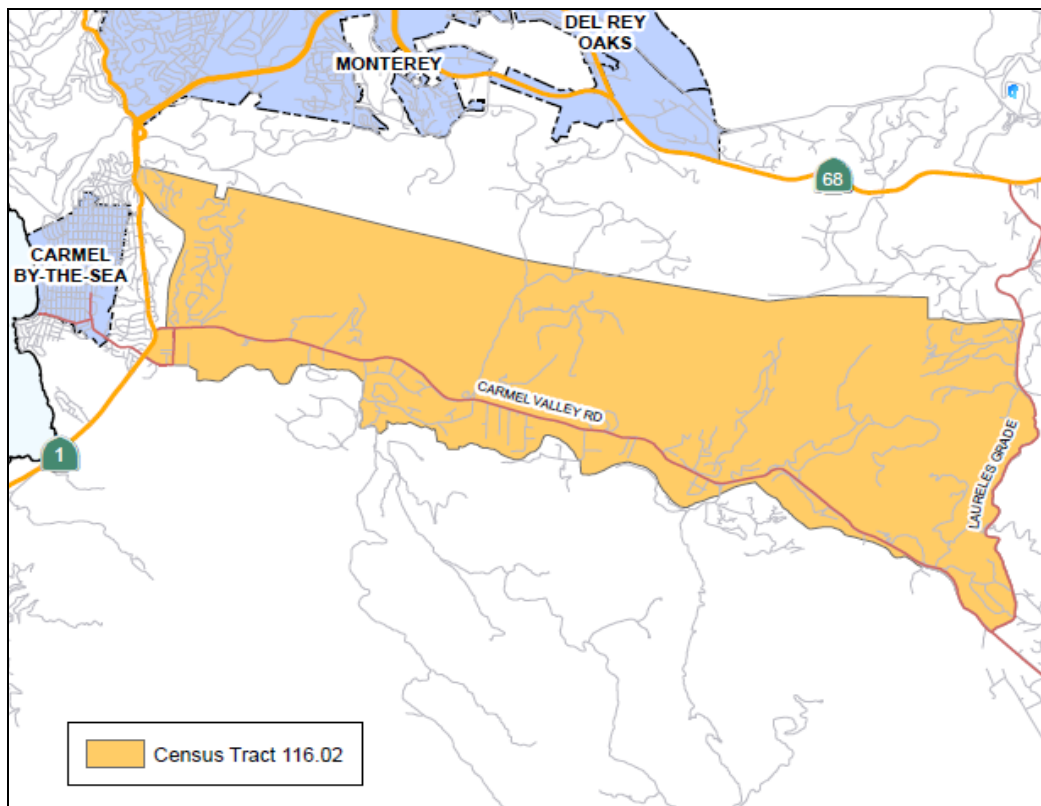


Beverages and More, Inc. (BevMo), a large retailer specializing in alcoholic and non-alcoholic beverages, is seeking to lease space at the Carmel Rancho Shopping Center located at 26538 Carmel Rancho Boulevard, Carmel. Since the retailer primarily sells alcoholic products and provides beer and wine tasting seminars, two licenses are required from the Department of Alcoholic Beverage Control (ABC); a Type 21 (Off-Sale General) and a Type 42 (On-Sale Beer and Wine – Public Premises). ABC has determined that a letter of Public Convenience or Necessity (PCN) is required to be adopted by the Board of Supervisors because there are a greater number of existing alcohol licenses in the area than is considered normal.

ABC determines the normal amount of licensing based on the population within a census tract. Each census tract is treated in isolation to surrounding census tracts. The Carmel Rancho Shopping Center is located within the Carmel area census tract (116.02) which covers Carmel Valley Road, beginning at Highway 1 and ending near Carmel Valley Village (see map below). Census tract 116.02 has a population of 5,266. Based on the population, five (5) Type 21 and eight (8) Type 42 licenses are considered the normal amount for the area. According to the ABC Licensing data (**Attachment C**), the census tract area currently has five (5) Type 21 and 18 Type 42 licenses issued. Issuance of licenses to BevMo will exceed the amount of licensing which is considered normal for the census tract area.



The table below presents the data for surrounding census tracts for on-sale and off-sale alcohol licensing in terms of what is considered normal and what currently exists. This table shows that there is substantially a greater number of licenses than considered normal for the population. An important consideration not contained in the table below is that there are many different types of alcohol licenses that should be considered when evaluating whether a particular license is actually a Public Convenience or Necessity (PCN). **Attachment C** is a complete list of all the licenses issued. Within this are various types of licenses that are unique and are intended to serve a targeted type of alcohol sales.

Area	Census Tract(s)	Population	On-Sale		Off-Sale	
			Normal	Existing	Normal	Existing
Big Sur	114.00; 115.02	5,488	8	24	4	19
Carmel Highlands	116.04	1,913	3	12	1	3
Carmel	117	3,810	6	2	3	0
Carmel Valley Road (BevMo area)	116.02	5,266	8	18	5	5
Carmel-by-the-Sea	118.01; 118.02	3,715	5	60	2	12
Camel Valley Village/Cachgua	110	5,933	9	22	6	12
Pebble Beach	119	4,449	7	8	4	1
Pacific Grove	120; 121; 122; 123.02; 124.01; 124.02	15,050	21	57	12	15
Monterey	125.02, 126, 128, 130, 131, 132, 133	30,605	41	162	25	49
Seaside	134, 135, 136, 137, 138, 139, 140	22,668	42	41	23	31

Type 21 License

A Type 21 is a type of off-sale license, but not all off-sale licenses are the same. A Type 21 license is for markets, super-markets and liquor stores for off-site consumption. Regionally, from Big Sur to Seaside, there are a total of 50 Type 21 licenses (only one (1) in the census tract of the proposed BevMo--Save Mart). Most of the other types of off-sale licenses would be a Type 20 which is for off-sale beer and wine, including delicatessens, convenience markets, gas stations, etc. for off-site consumption.

Type 42 License

BevMo is requesting the Type 42 license so that they can conduct beer and wine tasting seminars within the store. A Type 42 license is an on premise sale license, but not all on premise sale licenses are type 42. A Type 42 license allows serving beer and wine in common areas. It is not a license for a bar or other license which allows the serving of hard alcohol. Many of the on premise sale licenses are for restaurants, tasting rooms, or inns. There are a total of 17 Type 42 licenses approved in the region (none in the census tract BevMo will be located).

Opposition

On December 5, 2012, an e-mail from Margaret Robbins, resident of Carmel, was received opposing the adoption of a public convenience or necessity for BevMo (**Attachment F**). Ms. Robbins main concerns are the amount of alcohol licensing in and around the census tract, and an associated increase of crime rate. Ms. Robbins concerns are “crime, dui stops, etc.” as well as underage drinking problems at Carmel High. She cites data collected from the Sun Street Center, as evidence that additional ABC licensing will contribute to the crime rate and underage drinking which Ms. Robbins indicates is currently a problem in the area. Ms. Robbins states between Big Sur, Carmel Highlands, Carmel and Carmel Valley Road, there are super-markets, smaller markets, restaurants, gas stations, and wine tasting rooms offering alcoholic beverages of different varieties.

Between February 1, 2013 and February 4, 2013, an additional 28 letters in opposition to the requested ABC licenses were received by the RMA – Planning Department. Four (4) additional letters were sent after that date (**Attachment K**). The majority of these letters are from parents concerned about BevMo being located in close proximity to Carmel High and Carmel Middle School which could increase the underage drinking issues within the area. Other concerns include:

- The area already accommodates enough alcoholic beverage retailers where a convenience or necessity cannot be found;
- BevMo is considered a “Big-Box” retailer, which is out of place amongst the small community businesses found in the area; and
- Signage and design of a typical BevMo is not consistent with the rural design of Carmel and Carmel Valley.

On October 23, 2012, a letter of public convenience and necessity was heard by the Board of Supervisors regarding a gas station proposing off-site alcoholic beverage sales within the same census tract as BevMo (Carmel Properties Company, 7 Carmel Center Place, Carmel [PLN120569]). Based on information provided by Margaret Robbins and ABC licensing data within the area, the Board continued the hearing with the intent to oppose the public convenience or necessity finding. On December 11, 2012, the applicant withdrew the application.

Sherriff Review

BevMo’s request for a determination of PCN was reviewed by the Monterey County Sheriff’s Office. In a January 14, 2013 letter, the Acting Commander of the Monterey Coastal Station states that the Sheriff’s Office does not have crime data that would justify denial of the Type 21 and Type 42 licenses requested by BevMo (**Attachment D**). During a telephone call between the Project Planner and the Monterey County Sheriff’s Office, the Sheriff’s Office Staff stated that the underage drinking data submitted by Margaret Robbins had been reviewed by the Sheriff’s Office. Pursuant to conversations with the Sheriff’s Department, underage individuals typically obtain alcoholic beverages from their household. A small percentage is attributed to shoplifting or purchasing alcoholic beverages with fake IDs from local retailers.

Support Letters

Fourteen (14) letters in support of ABC licensing were received from Carmel residents (two are shop-owners within the Carmel Rancho Shopping Center (**Attachment H**)). Fifty (50) additional letters were received after February 4, 2013 (**Attachment K**). The consensus of the letters is that due to the unique products sold at BevMo, and considering the nearest BevMo is located in Salinas, that the retailer would be a public convenience to Big Sur, Carmel, Carmel Valley, Monterey, and Pebble Beach. For shop-owners, BevMo would increase the amount of customers at Carmel Rancho Shopping Center, thus benefitting some of the smaller retail shops. Sarah Adams states, “Based on the other stores..., (BevMo’s) stores are clean, they have friendly staff, and they have products which no other store in the area carries.” (Sarah Adams, resident/shop-owner). A letter from Amy Anderson, resident, states BevMo has a better selection of beverages not offered in the Monterey area, “including bar accessories, cigars, caviar, and other specialty food items.” Between the unique products sold, and the increase in employment and business within the shopping center, the letters support the presence of BevMo, and see BevMo as a benefit to the Carmel Valley.

Other Factors

In the initial request for a determination of PCN from BevMo, BevMo describes itself as a responsible contributing member of any community where they are established (**Attachment E**). Besides tax revenue and employment opportunities for the area, BevMo upholds the following policies:

- Operation hours are limited to 9 a.m. – 10 p.m., Sunday through Saturday;
- The company prohibits sales of cigarettes and products of abuse (such as 40 oz. of malt liquor, low-priced, screw-top fortified wines and pints or half-pints of spirits);
- The company prohibits use of video or pinball games, sales of pornographic videos and magazines, pay telephones, lottery tickets, newspaper stands and other items that would encourage loitering or minors patronizing the store;

- The company posts and maintains a professional quality sign stating “No Loitering”, “No public drinking of alcoholic beverages”, and “Stop, you must be 21 to enter unless accompanied by an adult”; and
- The company utilizes strict ID policies, including extensive training programs and a policy requiring all cashiers to check the ID of any customer purchasing alcoholic beverages who appears to be under the age of 50.

On January 21, 2013, a response to the opposition letters was received from Liz Zaninovich, BevMo representative (**Attachment G**). Ms. Zaninovich’s letter addresses that the store provides products and services not found elsewhere in the County. Also, BevMo offers educational beer and wine tastings unlike any retailer in the area.

Ms. Zaninovich’s letter also acknowledges the excess of licensing in the area, but feels that the company is much different than the licensed retailers they are being compared to. Out of the five (5) Type 21 licensees within the census tract, BevMo is most compared to the super-market, Save-Mart. The remaining licenses are for gas stations, hotels and small markets. Because of the educational beer and wine tasting seminars, BevMo requires a Type 42 license. The area currently has 18 Type 42 licenses issued. Ms. Zaninovich’s letter states that out of the 18 existing on-premises licenses, none are like BevMo. The 18 licenses mostly consist of restaurants (Type 41 and Type 47) and hotel/country clubs (Type 51).

Staff Recommendation

Staff supports the finding of PCN for the following reason:

- 1) Based on crime data within the area, the Monterey County Sheriff’s Department is not opposed to the issuance of Type 21 and Type 42 licenses to BevMo.
- 2) Based on support letters received, BevMo provides products and services not found in the area. The business will provide added tax revenue and employment opportunities. BevMo’s application materials indicate the Company adheres to strict policies that prohibit loitering, the selling of products that cause loitering and a strict ID check.
- 3) Based on support letters, BevMo will not only provide a public convenience to the Carmel Valley neighborhood, but also the regional area considering the nearest BevMo is located in Salinas.
- 4) Based on ABC licensing data for the Carmel area census tract and Monterey Peninsula regional area, existing licenses for on and off-sale alcoholic beverages are much different than what BevMo proposes (**Attachment C**). Ninety percent of existing licensing in the area are for restaurants, wine tasting, and inns. When comparing the licenses BevMo is trying to obtain (Type 21 and Type 42), BevMo is best compared to super-markets and liquor stores.
- 5) BevMo is a unique type of retail establishment which is not currently available within the Monterey Peninsula area.