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| **Adoption of East Central Mandatory Alcohol Impact Area –**  **Petition from the city of Spokane** |
| Date: August 1, 2012 |
| Presented by: Alan Rathbun, Director  Licensing and Regulation Division |

Problem or Opportunity

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| The city of Spokane has been unsuccessful in their 2-year initiative to mitigate the effects of Chronic Public Inebriation (CPI) through a voluntary Alcohol Impact Area in the city’s East Central neighborhoods. Board recognition will enable mandatory product restrictions within the geographic bounds of the Alcohol Impact Area, significantly improving the potential for positive change in the community. Absent board recognition the city’s public safety initiative will devolve, resulting in increased drain on city law enforcement, emergency medical responders, and community social services. |

Background

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| May 15, 2010, at the request of the city of Spokane, the Board granted recognition of the Downtown Alcohol Impact Area. The resolution included a listing of low-cost/high alcohol content beverages that would no longer be available for sale within the geographical bounds of the alcohol impact area. Banned products are an essential aspect of the mandatory alcohol impact area recognition, having identified alcoholic beverages that contribute to problematic public safety concerns. The city is requesting mandatory recognition of the East Central Alcohol Impact Area. The city submitted their petition for board-recognition May 9, 2012.  September 14, 2009, the city amended Municipal Code 10.08.270, in accordance with WAC 314.12.215, establishing the East Central Alcohol Impact Area. This ordinance was amended again August, 2011, to expand the voluntary alcohol impact area geographic boundaries in response to the requests of community residents and businesses, and increasing calls for alcohol-related services. This action was necessary to mitigate the continuing problems associated with Chronic Public Inebriation, and crimes associated with the sale of fortified beer.  This unique geographical area includes retail and commercial businesses, as well as single and multifamily residential districts. Easy access to public transportation in, out, and around the area plus reasonable walking distances to retail outlets is a major contributor to the growth of the homeless population.  Significant Action Timeline:  May, 2009 City and community group(s) launched a voluntary compliance effort.  June, 2009 City requested voluntary compliance via Good Neighbor Agreements; no compliance was achieved.  August, 2009 City again requested voluntary compliance; 1 of 8 licensees was willing to work with the city, but none would sign an agreement to restrict the sale of fortified beer.  September, 2009 City created the East Central Alcohol Impact Area in ordinance.  May, 2010 Board recognized mandatory Downtown Alcohol Impact Area. Shortly the east central community started to experience dispersion of CPIs into the area.  June, 2011 City created the Spokane International District to promote economic development and revitalization. This area encompasses about ¼ square mile, and is located in the heart of the East Central Alcohol Impact Area.    Public meetings were conducted to gather input about the effect of CPIs within the International District. This meeting was also attended by licensees and residents of the South Perry neighborhood. All attendees reached a mutual agreement to expand the East Central Alcohol Impact Area boundary to include the South Perry neighborhood.  August, 2011 City amended the boundaries of the East Central Alcohol Impact Area to include the South Perry neighborhood, extending the voluntary compliance period. |

Recommendations

Licensing Division staff recommends adoption of the city of Spokane’s request for board-recognition of the East Central Alcohol Impact Area. The city and their community partners’ initiative to obtain voluntary compliance have been exhaustive. They have demonstrated, to the fullest extent, the work required by WAC 314-12-215; *“a good faith effort has been made by the government subdivision to control the problem through voluntary efforts. . . “*

Board-recognition adds our regulatory authority, creating a partnership with the local jurisdiction, and brings to bear additional incentives for licensees. Mandatory restrictions create a level playing field for all affected

licensees within the bounds of the Alcohol Impact Area. This is the most effective way to create permanent change in the community short of a total absence of indigent people. Our experiences in other communities tell us that within a relatively short period of time those licensees who must stop selling high-alcohol low-cost beverages soon see their customer-base evolve to include neighborhood residents and visitors who were previously hesitant to patronize their businesses when the chronic public inebriants were on or around the licensed premises.

If the board completes the recognition process by adopting the resolution August 1, 2012, the sale restrictions will be effective September 15, 2012.

* Notice of board adoption will be distributed via US Mail to licensees and distributors no later than August 10, 2012.
* The notice will be posted on the internet web site and distributed by e-mail no later than August 3, 2012.
* The Communications Office will prepare a press release and distribute it to the local media contacts for publication.
* Licensees must have all restricted products removed from any licensed premises by close of business September 15, 2012. Distributors are authorized to return any existing inventory on the licensee premises to their inventory for redistribution to licensees outside the alcohol impact area.

Expected Results

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| We expect the implementation of a mandatory Alcohol Impact Area in the East Central district of Spokane will eventually be recognized as the beginning of neighborhood revitalization. This will be an evolving process, especially given the harsh winter environment; the most noticeable changes to the public will become more evident in spring and summer of 2013. Residents will experience a greater sense of personal safety, begin to notice the absence of litter related to public consumption of alcohol and drug paraphernalia, and improved neighborhood pride.  The city of Spokane is required to submit annual reports updating the effectiveness of the mandatory alcohol impact area. Updates should include data and observations of the local authority and community members demonstrating the impact, positive or negative, of the mandatory restrictions. Reporting data can be developed collaboratively by the city with LCB staff. Annual reports are due commencing September 1, 2013. | | | |
| **Benefits** | **Drawbacks** |
| * There can be more consistent enforcement activities * Distributors and retailers can more easily comply with the amended list * Monitoring of consumer activities will be more productive * Assist the city in maximizing available resources | * We may receive objections related to the negative economic impact * Suppliers may object to their products being added to the list |

Estimated Cost and Timeframe

| Date | Activity | Current Status |
| --- | --- | --- |
| May 9, 2012 | Present city’s request for banned product expansion | Complete |
| May 25, 2012 | Distribute notice to licensees, stakeholders, and interested parties. | Complete |
| July 6,2012 | Public comment period ending | Completed |
| July 11, 2012 | Public meeting | Completed |
| August 1, 2012 | Present adoption recommendation issue paper to the Board for review | Completed |
| August 1, 2012 | Present adoption recommendation resolution to the Board for final action | Completed |
| August 3, 2012 | Distribute board decision by e-mail and post to website | Pending |
| August 10, 2012 | Distribute postal service notice of Board’s action | Pending |
| September 15, 2012 | Effective date of new banned products, if approved | Pending |

Funding Source

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| Licensing administrative expenses associated with the mandatory alcohol impact area implementation and maintenance will be absorbed into our current appropriation. |

Stakeholder Impacts

Identify ***internal*** stakeholders and get their feedback about how they might be affected.

| **Stakeholder** | **Impacts (Political, Resource, Other)** |
| --- | --- |
| Director’s Office | Political and Resource |
| Licensing | Resource |
| Enforcement | Resource |
| Human Resources |  |
| Business Enterprise |  |
| Retail |  |
| Purchasing |  |
| Distribution Center |  |
| Administrative Services |  |
| Information Technology | Resource |
| Contracts Office |  |
| Finance |  |

Identify ***external*** stakeholders get their feedback about how they might be affected.

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| **Stakeholder** | **Fiscal and Resource Impacts** |
| Washington State Agencies |  |
| Prevention | Resource |
| Industry | Fiscal and Resource |
| Vendors | Fiscal and Resource |

Acceptance

We have reviewed this document and approve:

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| **Approved by** | **Signature** | **Date** |
| Name  Title |  |  |
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