

**MINUTES OF THE
OAK RIDGE BEER BOARD**
Regular Meeting

Municipal Building Training Room – Room 104
Wednesday, June 1, 2016
5:15 p.m.

PRESENT: Chairman Barton Bailey, Wende Doolittle, Secretary Darren Osborne, Theresa Scott, Debra Solmonson, and Danny Whitson

ABSENT: David Mosby

ALSO PRESENT: Tammy Dunn, Senior Staff Attorney / Staff Liaison to Board
Brad Jenkins, Lieutenant

AUDIENCE MEMBERS: Allies for Substance Abuse Prevention, Oak Ridge Today, Assistant to the City Manager, Owner of Back 2 Brewski's, and two persons whose names were not known

ROLL CALL

Chairman Bailey called the meeting to order at 5:15 p.m. All members were present except Mr. Mosby.

APPROVAL OF MINUTES

Secretary Osborne moved, seconded by Ms. Doolittle, to approve the minutes of the May 4, 2016 regular meeting and the motion passed 5-0, with Ms. Scott abstaining from the vote.

APPLICATIONS FOR NEW BEER PERMITS AND ASSOCIATED MANAGER APPROVALS

Free Medical Clinic of Oak Ridge (Application #1541 – Class E)
Sharon Lee Annis, Supervisor of Beer Sales
Fund Raising Dinner on August 13, 2016 (5pm – 11pm)
St. Mary's Church Parish Life Center
327 Vermont Avenue

Ms. Annis was present to discuss the application. Having had no problems with these events in the past, Ms. Scott moved, seconded by Ms. Solmonson, to approve the application and the motion carried unanimously.

Crafter's Brew Market & Social (Application #1542 – Class B and C)
Christopher Dale Keever, Owner/Manager
856 Oak Ridge Turnpike
(Under construction)

This item was considered at the end of the meeting after discussion of possible ordinance amendments.

Mr. Keever was present to discuss his application. Chairman Bailey stated the application was subject to passage of the life safety inspection and proper zoning requirement as Mr. Keever stated he had not yet spoken with Kathryn Baldwin, Director of Community Development, regarding zoning. Mr. Keever discussed his business plans for an establishment similar to the Bearden Beer Market with patio seating and an anticipated open date in early August 2016.

The Board went over the ID policy, surveillance, parking lot responsibilities, and overserving. Ms. Scott moved, seconded by Secretary Osborne, to approve the applications subject to passage of life safety and zoning, and the motion carried unanimously.

APPLICATIONS FOR NEW MANAGER APPROVALS

None

NEW BUSINESS/OLD BUSINESS

Red Lobster

Kathy Todd, Manager of Red Lobster, met with the Board at the Board's request to discuss the recent minor compliance operation conducted by the Tennessee Alcoholic Beverage Commission (TABC) where an employee of Red Lobster sold beer to a minor. Ms. Todd explained the circumstances stating this was a fairly new employee but one that possessed a server permit from the ABC. Ms. Todd stated this employee did not make a calculation error but rather did not even ask for the patron's ID which was against their policy to ID all who appear under 30. Ms. Todd stated this employee was terminated and new processes have been put into place such as requiring ID of all patrons purchasing alcohol, requiring the date of birth of the patron to be placed on the ticket beside the drink order so that the bartender can also verify the age of the patron, and a manager checking in the dining room as well. Ms. Todd stated the employees were devastated that the business failed the compliance check. It was suggested by members of the Board for Red Lobster to test their employees to make sure they are checking IDs and to possibly adopt a mentor program for new employees. The Board decided to take no further action as Ms. Todd's explanations and subsequent actions were a sufficient response to the incident.

Reports from Oak Ridge Police Department

None

Discussion of Potential Ordinance Amendments

Eight potential ordinance amendments were brought to the Board for review and recommendation (see attachment). Chairman Bailey moved, seconded by Ms. Scott, to approve Items 1, 3, 4, 7, and 8 without modification and the motion carried unanimously.

Item 2, growlers, was discussed by the Board with Joe Fahy, Manager of Food City, and Mr. Keever both of whom have intentions of selling growlers in the near future. Both were on board with the limitations set forth in the proposed ordinance language regarding maximum size of the container and sealing the container. After discussion of growlers generally, the Board suggested one modification to the definition (to delete the materials a growler can be made from) (see attachment, modification shown as a strikethrough). Ms. Solmonson moved, seconded by Secretary Osborne moved, to approve Item 2 with the modification and the motion carried unanimously.

Chairman Bailey moved, seconded by Ms. Scott, to approve Item 5 without modification and the motion carried unanimously.

Ms. Solmonson moved, seconded by Ms. Scott, to approve Item 6 without modification and the motion carried unanimously.

Ms. Dunn stated the next step would be for her office to communicate with the City Manager about moving forward with these proposed amendments for Council's consideration.

ADJOURNMENT

There being no other business to come before the Board, Ms. Scott moved, seconded by Secretary Osborne, to adjourn the meeting at 6:20 p.m. and the motion carried unanimously.

Respectfully submitted,

Signature on Official File Copy

Secretary

Attachment: Potential Beer Ordinance Updates (3 pages)

POTENTIAL BEER ORDINANCE UPDATES

The following ordinance amendments are presented to the Beer Board for review and recommendation. A recommendation for or against is not an indication of whether the amendment will be presented to City Council for consideration by city staff; however, absent special circumstances, amendments pertaining to beer are brought before the Beer Board for a recommendation prior to City Council consideration.

1. City Code §8-601. Definitions.

- (1) "Beer" means ~~beer, sale or other malt beverages, or any other beverage having an alcoholic content of not more than five percent (5%) by weight~~ **a beverage defined as beer by Tennessee Code Annotated §57-5-101.**

Rationale: State law compliance. 2014 Public Chapter 861, effective January 1, 2017, establishes a higher percentage alcohol content for beer. See new definition below:

Tennessee Code Annotated §57-5-101. Traffic in alcoholic beverages of less than eight percent (8%) permitted -- Brewers' and wholesalers' interests restricted.

- (b) For purposes of this title, "beer" means beer, ale or other malt beverages, or any other beverages having an alcoholic content of not more than eight percent (8%) by weight, except wine as defined in § 57-3-101; provided, however, that no more than forty-nine percent (49%) of the overall alcoholic content of such beverage may be derived from the addition of flavors and other nonbeverage ingredients containing alcohol.

2. City Code §8-608. Growlers. [New provision]

Growlers may be sold under an off-premises beer permit in accordance with the provisions of this section. The term "growler" means a ~~glass, ceramic or stainless steel~~ container not to exceed sixty-four ounces (64 oz.) that is filled by the permit holder's employee with beer from a keg. Growlers may only be filled from kegs purchased by the permit holder from a duly licensed wholesaler. Growlers must be filled in a manner that is sanitary and meets all applicable food and alcohol handling laws and standards. Each growler must be securely sealed and removed from the premises in its original sealed condition. Each growler shall be sealed in such a manner that one can tell if it has been opened after having been sealed (ex. heat shrink plastic or locking caps). Consumption of beer on premises is strictly prohibited, except samples of tap beer offered for sale in growlers may be made available, however, individual samples shall not exceed one ounce (1 oz.) per sample and no one individual may be offered or consume more than four (4) samples per business day.

Rationale: This change is intended to specifically allow the sale of growlers with limitations on allowing samples and sealing requirements to avoid open container issues.

3. City Code §8-701. Permit required.

- (2) Permits shall be issued by the city in the name of the owner of the business or ~~establishment selling or distributing beer~~ **other entity responsible for the premises for which the permit is sought**, whether a person, firm, corporation, joint-stock company, syndicate, association, or ~~other legal~~ **governmental** entity **where the governing body has authorized such sales of beer.**

Rationale: State law compliance. 2014 Public Chapter 754, effective April 1, 2014, specifically allows governmental entities to obtain a beer permit (Tennessee Code Annotated §57-5-103).

4. City Code §8-701. Permit required.

(8) A permit is not required for homemade beer when such beer is made, consumed, stored, and transported in accordance with the limitations set forth in Tennessee Code Annotated §57-5-111.

Rationale: State law compliance. 2015 Public Chapter 69, effective April 6, 2015, adds a new provision in state law regarding homemade beer and when a permit is not required for it. Has limitations on amount can brew and restrictions on transportation (Tennessee Code Annotated §57-5-111).

5. City Code §8-702. Classes of permits.

(1) Class A. A manufacturer's permit to a manufacturer of beer for the manufacture, possession, storage, sale, distribution, and transportation of the product of such manufacturer, not to be consumed by the purchaser upon or near the premises of such manufacturer **unless such manufacturer also possesses an on-premises beer permit.**

Rationale: This change is intended to address situations where a business manufactures beer on-site but also sells the beer for on-premises consumption. (Ex. Calhoun's in Turkey Creek and Downtown Grill & Brewery in Market Square both brew beer on-site and have consumption of beer on-site.)

6. City Code §8-702. Classes of permits.

There shall be ~~five (5)~~ **six (6)** classes of permits issued under chapters 6, 7, and 8 of this title, as follows:

...

(6) Class F. A combined, dual "on-sale" (on-premises consumption) and "off-sale" (off-premises consumption) permit to any person or legal organization engaged in the sale of beer where beer is to be consumed by the purchaser upon or off the premises of the seller. While not a permit specifically for catering businesses, this permit classification will be the permit applied for by catering businesses.

Rationale: This change will accomplish two purposes. One, it will allow businesses who want a dual permit to operate under one permit which will lower their initial application fee as well as their annual privilege tax amount. This is a more business-friendly approach to the permitting process. Serving both on and off premises under one beer permit is allowed under state law (Tennessee Code Annotated §57-5-103(a)(5)). Two, it will clarify the catering permit process. Right now caterers obtain a Class B permit which is really more geared toward convenience and grocery stores. This will give caterers a better category of permit to apply for and will allow their events to be held both on-site and off-site provided they have the property owner's permission for beer to be consumed at the event location.

7. City Code §8-703. Application generally.

- (3) The application shall state the name of the owner or all owners of such businesses; and, if a corporation, shall state the name of all stockholders holding at least ~~ten percent (40%)~~ **five percent (5%)** of more of the stock.

Rationale: State law compliance (Tennessee Code Annotated §57-5-105).

8. City Code §8-703. Application generally.

- (8) While applicants are encouraged to apply for a beer permit in advance of opening or buying the business, the board's approval of a beer permit(s) will be invalid if the business is not open under the applicant's ownership within six (6) months of the board's approval.**

Rationale: This will address the issue of a permit being applied for and approved, but not actually issued until a significant time has passed due to the permit holder not securing the business in a timely manner.