



A Tradition of Stewardship  
A Commitment to Service

Agenda Date: 2/2/2016  
Agenda Placement: 11A

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors  
**FROM:** Lawrance Florin - Director  
Housing and Intergovernmental Affairs  
**REPORT BY:** Michael Karath, STAFF ASSISTANT - BOS - 299-1477  
**SUBJECT:** AB 1670 (Dodd) Liquor Licenses for Napa County

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### **RECOMMENDATION**

Director of Housing and Intergovernmental Affairs requests approval of and authorization for the Chairman to communicate to the Legislature and pertinent parties support for AB 1670 (Dodd), a bill that seeks to increase the number of Type 47 (mixed drinks) licenses available to Napa County restaurants and certain for-profit theaters.

### **EXECUTIVE SUMMARY**

As Napa County and its local jurisdictions have increased development over the past seven years to grow the tourism industry, there is a high demand for liquor licenses. Sincere there is a state limit on such licenses, the demand has pushed the price to acquire one to \$400,000. Much of the development has occurred in the restaurant, hospitality, and entertainment sectors.

The Downtown Napa Association, with approval from the local jurisdictions, is now working with Assembly Member Bill Dodd to increase the number of licenses in Napa County. Assembly Member Dodd's bill, AB 1670, seeks an additional five licenses per year for five years to be distributed countywide via a lottery, for a total of 25 licenses. AB 1670 also authorizes theater operators to attain these licenses as long as the venue has theater seating and is primarily devoted to live theatrical performances.

The licenses will distributed via a countywide lottery beginning on January 1, 2017.

### **PROCEDURAL REQUIREMENTS**

1. Staff reports.
2. Public comments.

3. Motion, second, discussion and vote on the item.

**FISCAL IMPACT**

Is there a Fiscal Impact?                      No

**ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

**BACKGROUND AND DISCUSSION**

The California Department of Alcoholic Beverage Control (ABC) administers the Alcoholic Beverage Control Act, which regulates the application, issuance, and suspension of alcoholic beverage licenses by the ABC.

The Act limits the number of liquor licenses that may be issued, based on the population of the county in which the licensed premises are located. The limit on liquor licenses combined with an increasing demand for them by restaurateurs caused the price of a license to spike to \$300,000 by 2008. That year, the Napa Downtown Association (NDA) worked with then-Assembly Member Noreen Evans to pass AB 2266 that added 15 new liquor licenses to Napa County's limit. The issuance of 15 more licenses brought the price down considerably.

Today, there is again high demand for liquor licenses. The demand has gradually increased since the passage of AB 2266, as development has occurred over the past seven years. Much of the development has occurred in the restaurant, hospitality, and entertainment sectors.

The NDA is now working with Assembly Member Bill Dodd to increase the number of licenses in Napa County. It recently secured support for the measure from the County's five jurisdictions. Assembly Dodd's bill, AB 1670, seeks an additional five licenses per year for five years to be distributed countywide via a lottery, for a total of 25 licenses. AB 1670 also authorizes theater operators to attain these licenses as long as the venue has theater seating and is primarily devoted to live theatrical performances.

The licenses would be distributed via a countywide lottery beginning on January 1, 2017 if the legislation is adopted.

**SUPPORTING DOCUMENTS**

A . AB 1670 (Dodd) - Liquor Licenses

CEO Recommendation: Approve

Reviewed By: Molly Rattigan