

# REGULATORY REVIEW COMMITTEE

## - MINUTES -

MEETING DATE: May 25, 2006

**TO:** Building Services Division Staff

Land Use Services Division Staff

Mike Dykeman, Manager
Chris Ricketts
Lisa Dinsmore
Jim Chan
Randy Sandin
Pam Dhanapal
Deidre Andrus
Steve Bottheim

Stephanie Warden, Director Harry Reinert, Special Projects Manager and RRC Co-Chair Cass Newell, Prosecuting Attorney's Office

FM: Harry Reinert, Co-Chair

<u>Present</u>: Lisa Dinsmore, Chris Ricketts, Jerri Breazeal, Cass Newell, Randy Sandin, Joelyn Higgins, and Harry Reinert

1. Under what circumstances, if any, may an eating or drinking establishment in the NB zone serve alcoholic beverages?

### Background

The department has been asked to determine whether a restaurant located in the NB zone may serve alcoholic beverages.

## Discussion

Eating and drinking establishments (SIC Minor Group 58) are a permitted use in the NB Zone with the exception of SIC Industry No. 5813 – Drinking Places (KCC 21A.08.070B10). SIC 5813 is defined as:

Establishments primarily engaged in the retail sale of alcoholic drinks, such as beer, ale, wine, and liquor, for consumption on the premises. The sale of food frequently accounts for a substantial portion of the receipts of these establishments.

Examples include bars, taverns, night clubs, and wine bars.

Regulatory Review Committee Minutes

Meeting Date: May 25, 2006

Page 2

SIC 5812 includes eating establishments and is defined as follows:

Establishments primarily engaged in the retail sale of prepared food and drinks for onpremise or immediate consumption. Caterers and industrial and institutional food service establishments are also included in this industry.

Examples include cafes, coffee shops, dinner theatres, diners, pizza parlors, and restaurants.

Both definitions rely on the word "primarily" in their definitions. A drinking establishment may sell food. A restaurant may sell alcoholic beverages.

The Washington State Liquor Control Board (WSLCB) licenses the sale of alcohol in Washington. WSLCB regulations distinguish among different types of licensees. Spirits, beer, and wine restaurants must meet certain minimum requirements for providing food service. Among other requirements, food service must be available at all times that the restaurant is open, The licensee may make certain parts of the facility off-limits to minors, either at all times or during certain hours. A beer and wine restaurant license also requires food service, but the requirements are not as detailed as for those restaurants serving spirits. Minors are allowed, unless the restaurant requests that certain areas be established as off-limits. A third category of license is the tavern license. No food service is required and minors are prohibited at all times. Beer and wine may be sold for either on-premises or off-premises consumption.

Based on the licensing requirements, establishments with a tavern license would appear to meet the definition of a drinking place under SIC 5813. Because WSLCB regulations require establishments with either a spirits, beer and wine restaurant license or a beer and wine restaurant license to provide food service, those businesses would fall under the definition of eating establishments in SIC 5812.

The Committee discussed the issue of whether minors are allowed in the establishment could be a criteria. However, since WLSCB regulations only prohibit minors from establishments licensed as taverns, this does not seem to be a useful standard.

A related question is whether a restaurant can prohibit minors from part or all of its establishment. This could, in effect, create a drinking place within the overall restaurant. Since the restaurant is still required to provide food service, this does not alter the overall nature of the business as an eating establishment.

# Conclusion

In the NB zone, eating establishments are a permitted use, but drinking places are not. A restaurant that has either a spirits, beer and wine restaurant license or a beer and wine restaurant license from the WSLCB is considered to be an eating establishment under SIC 5812 and is a permitted use in the NB zone. The restaurant may prohibit minors from some or all of the

Regulatory Review Committee Minutes Meeting Date: May 25, 2006

Page 3

premises. A business that has a tavern license from the WSLCB is considered a drinking place and is not an allowed use in the NB zone.