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THE NEED FOR COMMUNITY INPUT FOR MICROBREWERIES: A BUSINESS AND COMMUNITY TOOL

San Diego likes to think of itself as the craft beer capital of the world, and it's no surprise since it boasts over 130 breweries throughout the county.

Municipalities are eyeing the craft brewery industry as a source of economic growth, and some are amending their municipal codes and zoning designations to accommodate the industry. National City and Lemon Grove are allowing 'use by right' zoning of microbreweries to expand the areas where they can operate.

'By right' zoning allows owners to use property and structures in a way that is permissible in the amended zoning district in which his or her property is located.

However, 'use by right' zoning does not allow cities to place customized conditions on the businesses to make them compatible with the surrounding community and mitigate negative impacts. It also eliminates public hearings that typically allow for community and law enforcement input.

Community members are concerned that, without the opportunity to provide input from a public or law enforcement perspective and the ability to tailor conditions based on their location, these businesses could have a negative effect in the long term.

"I think I should have a say in what goes on in my neighborhood," National City resident Anne Campbell said. "My property value and quality of life are affected by the businesses that are allowed to locate near my home, especially ones that are noisy or a public safety concern."

In most municipalities across the state, alcohol establishments are generally subject to conditions that ensure they operate in a way that protects public health, safety and quality of life. Results of studies performed by the Pacific Institute for Research and Evaluation has established a rationale for limiting the number of bars in an area: As outlet density increases, the number of assaults also increases.¹ The California League of Cities has long supported placing conditions on businesses as a 'best practice' for preventing community harms that alcohol sales can otherwise create.²

These conditions, in general, are not only in the best interest of the surrounding community, but also of the businesses themselves. They can be as simple as establishing clear parking

¹ Mair, C., Gruenewald, P., Ponicki, W., & Remer, L. (2013). *Varying impacts of alcohol outlet densities on violent assaults: Explaining differences across neighborhoods*. Journal of Studies on Alcohol and Drugs (74, 50-58).

² Mattas, S. & Nave, M. (2011, 22 September). *Liquor Stores, Bars and Nightclubs: Conditional Use Permits and Best Practices for Regulating Alcohol Sales*. Paper presented at League of California Cities Annual Conference. Sacramento: League of California Cities.

requirements, appropriate lighting, training requirements for alcohol beverage servers and restricting loud music and live entertainment so it does not disrupt the neighborhood. Studies show that imposing a condition that restricts the hours of alcohol sales reduces alcohol-related harm.³

Historically, in both cities, businesses that wanted to sell alcohol went through a conditional use permitting (CUP) process, which involved a public hearing. Now, ‘use by right’ zoning eliminates the public hearing requirement and medium sized breweries can set up shop in urban areas, even in areas that already have more businesses that serve alcohol than what is recommended by California’s Alcoholic Beverage Control (ABC).

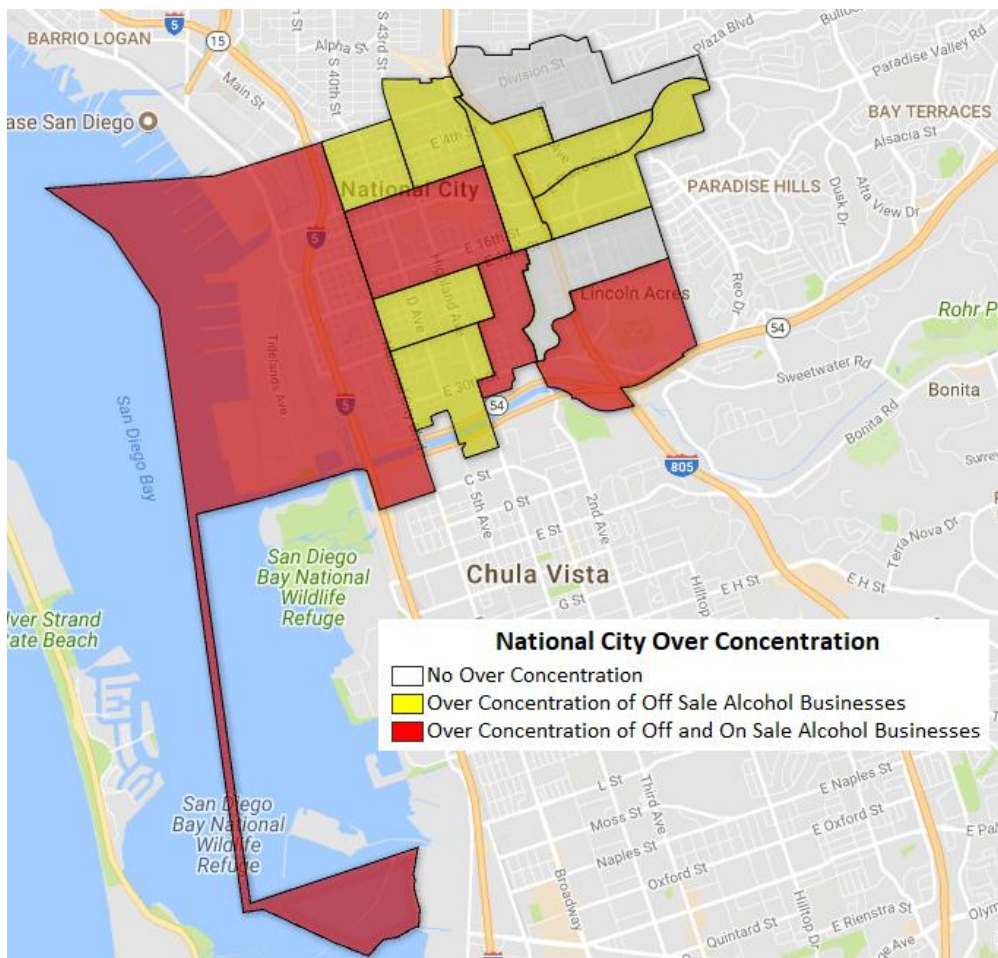


Figure 1: Map of National City census tracts and areas of overconcentration, according to ABC (data as of 3/18/2018).

³ Hahn, R. A., Kuzara, J. L., Elder, R., Brewer, R., Chattopadhyay, S., Fielding, J., ... & Lawrence, B. The Task Force on Community Preventive Services. (2010). Effectiveness of Policies Restricting Hours of Alcohol Sales in Preventing Excessive Alcohol Consumption and Related Harms. *American Journal of Preventive Medicine*, 39(6), 590–604. <http://doi.org/10.1016/j.amepre.2010.09.016>

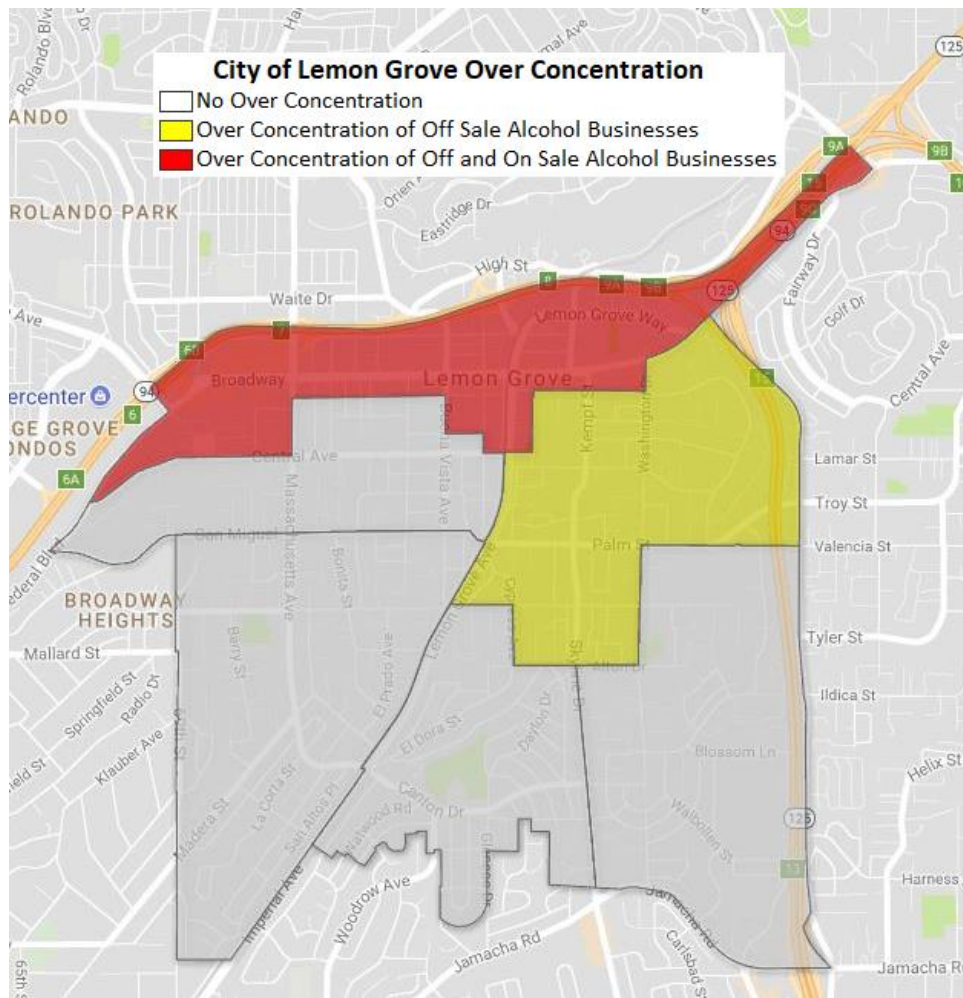


Figure 2: Map of Lemon Grove census tracts and areas of overconcentration, according to ABC (data as of 3/18/2018).

City officials see this as a way to expedite the licensing process for businesses, a process that applicants often complain of as being too lengthy and costly. Additionally, city officials assume that these businesses will cause fewer problems because they sell their products at a higher price point than other businesses and cater to an upscale clientele.

As more bars enter the competition for local and tourist dollars, there is a concern that breweries could change their business models to draw in a wider clientele. These changes may include lowering prices, morphing into a club-like atmosphere at night with a DJ or live music, and other practices that can quickly transform the business into something that it was not originally intended to operate as.

In the short term, expediting the process by which breweries can establish themselves may have a positive impact on a community through the creation of jobs and increases in tax

revenue.⁴ However more than 40 years of research confirms the link between alcohol sales and harms to the community as well as the local business climate.⁵

One argument for mitigating harms to the community caused by an overabundance of breweries and other alcohol outlets is to involve community members and law enforcement in the permitting process through public hearings. Another is to place standard and customized conditions on breweries to ease potential risks to public health, safety, and quality of life. These safeguards can preserve a community's health and well-being while also paving the way for economic growth.

Themes:

- Alcohol-related problems are preventable.
- Responsible businesses and the communities they serve deserve protection from unfair business practices by irresponsible alcohol outlet license holders.
- Local control is needed to level the playing field among all different alcohol license holders.

Key Messages:

- Increasing local control of alcohol availability may prevent high risk drinking.

Call to Action:

- Balance business needs and community needs. New alcohol businesses maintain higher operating standards when cities have land use policies such as CUP and DAO ordinances.

⁴ San Diego North Economic Development Council, California State University San Marcos, College of Business Administration, & San Diego Brewers Guild. (2017). Economic Impact of Craft Breweries in San Diego County. Retrieved January 25, 2018, from www.csusm.edu/coba/dashboard/brewery_report.pdf

⁵ Popova, S., Giesbrecht, N., Bekmuradov, D., & Patra, J. (2009). Hours and Days of Sale and Density of Alcohol Outlets: Impacts on Alcohol Consumption and Damage: A Systematic Review. *Alcohol and Alcoholism*, 44(5), 500-516. doi:10.1093/alcalc/agg054