



Legislation Text

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TO: Mayor and Members of City Council

THRU: Kelly Olivera, Assistant City Manager

FROM: Christopher Cauley, Economic & Community Development Director
Taurus Freeman, Assistant Economic & Community Development Director

DATE: November 14, 2022

RE:
Public Hearing on Adoption of Fayetteville's Downtown Social District

COUNCIL DISTRICT(S):
District 2

Relationship To Strategic Plan:

Goal II: The City of Fayetteville will have a Responsive City Government supporting a diverse and viable economy.

- Objective 2.2: To invest in community places to ensure revitalization and increase the quality of life

Goal IV: Desirable Place to Live, Work and Recreate

- Objective 4.2: To enhance diverse recreation, leisure, and cultural opportunities

Executive Summary:

On September 6, 2022, at the City Council Work Session, the City Council directed Staff to work with Cool Spring District, Inc. (CSDD) to bring back the required subsequent actions for implementation of a social district in the downtown footprint. Council is asked to approve a pilot program for six months from December 2022 to June 2023. After three months, Staff and CSDD will present a progress report on the impacts to both downtown businesses and the City's Departments. In June 2023, Staff will request direction from Council to rescind the pilot or create an ordinance amendment for a Social District.

Pursuant to NCGS 160A-175, the proposed social district ordinance has to be presented to the City Council twice on November 14th and 28th, since violation of the ordinance is a misdemeanor.

Background:

The Board of the Cool Spring Downtown District, Inc. (CSDD) requested City Council's consideration to establish a social district as authorized by legislation enacted by the North Carolina General Assembly in 2021. This was recommended as an Action Item in the Downtown Urban Design Plan

adopted by City Council on February 24, 2020, which called for adopting an Entertainment Ordinance to better regulate open containers, amplified sound, retail sidewalk sales, etc., within the Municipal Service District.

Social districts have been implemented in various towns and cities across the state since legislation was enacted allowing municipalities to designate areas where alcoholic beverages can be purchased from a licensed ABC permittee and then taken outdoors.

A social district is a defined outdoor area in which a person may consume alcoholic beverages sold by an ABC permittee. This term does not include the ABC permittee's licensed premises or an extended area allowed under G.S. 18B-904(h). A city may adopt an ordinance designating an area within the municipal limits as a social district under G.S. 160A-205.4. A social district must be maintained in a manner that protects the health and safety of the general public (G.S. 18B-904.1(c) (2)).

Issues/Analysis:

City Staff from Parks & Recreation, Police, and Economic & Community Development met with CSDD to develop an ordinance for the proposed district. Per General Statute, a city designating a social district is required to establish management and maintenance plans for the social district and post these plans, along with a drawing of the boundaries and the applicable days and hours of the social district, on the city's website.

The following is the Implementation Plan:

- District Map - Completed
- Ordinance - Completed
- Management & Maintenance Plan - Completed
- Signage Posted - By December 1, 2022
- Cups - By December 1, 2022
- Website Posting - By December 1, 2022.

Social District Requirements

The social district must meet the following requirements under North Carolina law:

- An alcoholic beverage purchased for consumption in the social district must:
 - be consumed in the social district.
 - be disposed of before exiting the social district unless entering a business within the social district that allows alcoholic beverages to be brought inside the business.

ABC Permittee Requirements

A permittee located and selling alcoholic beverages within the social district must meet the following requirements under North Carolina law:

- The permittee must:

- only sell and serve alcoholic beverages on its licensed premises.
- only sell alcoholic beverages for consumption in a container that meets all of the following requirements:
 - The container clearly identifies the permittee from which the alcoholic beverage was purchased.
 - The container clearly displays a logo or some other mark that is unique to the social district in which it will be consumed.
 - The container is not comprised of glass.
 - The container displays, in no less than 12-point font, the statement, "Drink Responsibly - Be 21."
 - The container shall not hold more than 16 fluid ounces.

Patron Requirements

The possession and consumption of an alcoholic beverage in a social district is subject to all of the following requirements of North Carolina law:

- Only alcoholic beverages purchased from a permittee located in the social district may be possessed and consumed.
- Alcoholic beverages must:
 - only be in designated social district containers.
 - only be possessed and consumed during the days and hours set by the City:
 - From 12 p.m. until 10 p.m., for two days, Friday and Saturday, or seven days a week*.

Note: Staff is recommending operating two days a week; however, CSDD is requesting operating seven days a week.

- A single patron cannot be sold or delivered alcoholic beverage drinks in excess of:
 - Not more than two alcoholic beverage drinks at one time if any of the following:
 - A malt beverage, unfortified wine, fortified wine.
 - Not more than one alcoholic beverage at one time if an alcoholic beverage drink is a mixed beverage or contains spirituous liquor.
- A person must dispose of any alcoholic beverage before exiting the social district unless entering a business within the social district that allows alcoholic beverages to be brought inside the business.

The boundary will be located: (i) Hay Street between Winslow Street and Market Square; (ii) Franklin Street between Winslow Street and Gillespie Street; (iii) West Russell Street between Winslow Street and Donaldson Street; (iv) Segra Stadium access between Hay Street and Ray Avenue; (v) Person

Street between Market Square and Ottis F. Jones Parkway; (vi) Winslow Street between West Russell Street and Hay Street; (vii) Williams Street between West Russell Street and Franklin Street; (viii) Ray Avenue between West Russell Street and Maiden Lane; (ix) Burgess Street between Hay Street and Old Street; (x) Anderson Street between Hay Street and Old Street; (xi) Green Street between Market Square and 225 Green Street; (xii) Gillespie Street between Market Square and Franklin Street; (xiii) Market Square; (xiv) Pittman Street; (xv) Maxwell Street; (xvi) Donaldson Street; (xvii) Old Street; (xviii) Bow Street; and (xix) Ottis F. Jones Parkway

Cool Spring Downtown District, Inc. is the entity responsible for managing the downtown Municipal Service District. They have held a downtown merchant meeting with over 60 attendees and recently conducted a survey with over 900 respondents, 88% of whom identify as shopping or attending events in the Downtown district. Over 72% of respondents agreed with the establishment of a social district, but respondents were evenly split on the frequency of days and hours allowed.

Budget Impact:

Staff could not determine a budget analysis for the financial impact for the Police Department. CSSD will pay for the signage, window decals for participating and non-participating businesses, and the first 5,000 cups.

Options:

1. Approve the creation of a temporary Downtown Social for six months, from December 2022 to June 2023, to operate seven days a week from 12 p.m. to 10 p.m. After three months, CSDD will present a progress report of the impact to City Council at the March 2023 Work Session. In June 2023, the action will be reintroduced to rescind the pilot, extend it for six months, or create an ordinance amendment for a Social District. (CSDD Recommendation)
2. Approve the creation of a temporary Downtown Social for six months, from December 2022 to June 2023, to operate two days a week, Friday and Saturday, from 12 p.m. to 10 p.m. After three months, CSDD will present a progress report of the impact to City Council at the March 2023 Work Session. In June 2023, the action will be reintroduced to rescind the pilot, extend it for six months, or create an ordinance amendment for a Social District. (Staff Recommendation)
3. Deny the request for a social district; or
4. Remand to Staff for additional information.

Recommended Action:

Staff recommends approval of the creation of a temporary Downtown Social for six months, from December 2022 to June 2023, from 12 p.m. until 10 p.m., for two days, Friday and Saturday, or seven days a week. After three months, CSDD will present a progress report of the impact to City Council at the March 2023 Work Session. In June 2023, the action will be reintroduced to rescind the pilot, extend it for six months, or create an ordinance amendment for a Social District.

Attachments:

- Ordinance for Downtown Social District (CSDD Recommendation)
- Ordinance for Downtown Social District (Staff Recommendation)
- North Carolina General Statute 18B-904.1.
- Social District Map - Proposed
- Social District Management & Maintenance Plan