



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Counsel



DATE: June 9, 2015
BOARD MEETING DATE: June 16, 2015
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors

FROM: John C. Beiers, County Counsel

SUBJECT: Resolution of Public Convenience or Necessity for Application for Alcoholic Beverage License by Launchpad, Inc., for the Premises at 2694 Middlefield Road, Redwood City, California

RECOMMENDATION:

Adopt a resolution determining that the public convenience or necessity would be served by issuance of an alcoholic beverage license to Launchpad, Inc., for the premises at 2694 Middlefield Road, Redwood City, California

BACKGROUND:

State law requires that the County determine whether the public convenience or necessity would be served by the issuance of an Alcoholic Beverage License if the establishment seeking the license is in a location with an "undue concentration" of establishments selling alcoholic beverages. The California Department of Alcoholic Beverage Control ("ABC") has determined that an undue concentration of such establishments exists in the census tract at issue in this case and has requested that the County consider whether the public convenience or necessity ("PCN") will be served by issuance of the requested license. This application is for a site located in the North Fair Oaks area of the unincorporated County and staff has therefore routed the request to the Sheriff's Office and North Fair Oaks Community Council for review and input.

DISCUSSION:

This request relates to the Alcoholic Beverage License application made by Launchpad, Inc. (doing business in California as Man Crates) in connection with a proposal to conduct off-sale of beer, wine, and distilled spirits at the premises located at 2694 Middlefield Road, Suite F, Redwood City, California. Man Crates, which conducts online sales of gift boxes for men, is currently operating at the premises. Man Crates is seeking the subject license in order to include beer, wine, and/or distilled spirits in some of its gift boxes. Man Crates has informed the County that the type of license needed to sell and ship alcohol, including distilled spirits ("Type 21 Off Sale General"), requires that the facility include a retail area open to the public. As a result, if Man Crates receives the requested license, the public will be able to purchase a gift crate containing alcohol at

the premises. Man Crates has indicated that the minimum price of such a gift crate would be approximately \$60, and in no event would alcohol be sold separately from a sealed crate.

The ABC has determined that the number of licenses already issued in the census tract in which this premises is located is more than the number allowed under the formula established by law. (Under this formula, three off-sale licenses would be allowed, and there are presently four.) Therefore, under state law, ABC may not issue a license to Man Crates without the Board of Supervisors first determining whether the public convenience or necessity would be served by issuance of the license.

The matter was forwarded to the Sheriff's Office for its consideration. The Sheriff's Office has informed us that they have no objection to the issuance of the license based on (1) the location of the business, (2) the unlikeliness of walk-in business, and (3) the fact that the alcoholic items will not be sold individually, but contained within expensive gift boxes.

The North Fair Oaks Community Council also considered the application at its meeting on May 28, 2015. The Council recommended that the Board of Supervisors determine that the issuance of the requested license would serve the public convenience or necessity. (Of the eight Council members present, six voted in favor, none were opposed, and two abstained.)

The Council noted the general overconcentration of alcohol sales and consumption in the North Fair Oaks area, as well as a history of domestic violence and other alcohol-related problems in the community. The Council also noted the unique aspects of the applicant's business, which provides a service unlike that of the typical license holder in the North Fair Oaks area, and which, due to the business location and price point, packaging, and marketing of the product, would not provide a substantial source of walk-in alcohol sales. Therefore, the Council recommended a finding that the public convenience or necessity would be served by issuing the requested license. The Council also requested that ABC consider imposing the following conditions on the requested license:

1. The applicant will endeavor to employ local youth, particularly during seasonal hiring;
2. The applicant will endeavor to employ local residents;
3. The applicant will not promote local alcohol sales in North Fair Oaks; and
4. The applicant will annually report to the North Fair Oaks Community Council regarding its efforts to fulfill the conditions.

Subject to direction from the Board, staff can transmit the conditions identified above to ABC for their consideration.

Based on the foregoing, the recommendation is that this Board grant the applicant's request and find that the public convenience or necessity would be served by the issuance of a license.

Responding to the request of the Department of Alcoholic Beverage Control will contribute to the Shared Vision 2025 outcome of collaborative community by providing necessary input to the Department to assist it in making a decision on the subject license.

FISCAL IMPACT:

No fiscal impact.

ATTACHMENT:

A. Letter from R. Ciganovich, Consultant to Man Crates, re Review for finding of Public Convenience or Necessity

cc: Jon Beekman and Maggie Cruz, Man Crates, 2694 Middlefield Road, Suite F,
Redwood City, CA 94063
Linda Lopez, Chair of North Fair Oaks Community Council
John Maltbie, County Manager
Steve Monowitz and Tiare Pena, Planning and Building Development
Greg Munks, Sheriff