Minutes

Alcoholic Beverage Licensing (ABL) Committee Advisory Neighborhood Commission (ANC) 6A Tuesday, November 24, 2020, 7:00 pm Virtual Meeting—Held on WebEx

Pursuant to notice duly given, a meeting of the Alcohol Beverage Licensing Committee ("Committee") of ANC 6A was held commencing at 7:00 pm EST on November 24, 2020, on a publicly posted WebEx event.

Committee Members Present: Nick Alberti (Co-Chair), Mark Samburg (Co-Chair), Laura Gentile Committee Members Absent: Roger Caruth, Ramin Taheri Commissioners Present: Marie-Claire Brown, Sondra Phillips-Gilbert, Mike Soderman Establishment Representatives Present: Matt Minora (H Street Liquors, LLC), Ira Suri (H Street Liquors, LLC), John Horn (Amazon Retail, LLC), Brian Kenner (Amazon Retail, LLC), Andrew Kline (Amazon Retail, LLC)

I. Call to Order/Approval of Agenda
Mr. Samburg called the meeting to order at 7:05 pm. Ms. Dworakowski reminded Mr.
Samburg to remind all attendees that the meeting was being recorded. Mr. Samburg
reminded all attendees that the meeting was being recorded.

Mr. Samburg moved that the agenda be reordered to begin with Discussion of application by The Bodega Incorporated t/a The Cupboard at 1504 East Capitol Street NE (ABRA #086607) for renewal of its Class B Retail License. Commissioner Soderman seconded the motion, which passed 5-0.

II. Community Comment

Mr. Samburg advised community members in attendance that comments related to a specific agenda item should be presented in connection with the discussion of that agenda item, and confirmed that all community members present had comments in connection with specific agenda items.

III. Old Business None.

IV. New Business

- Discussion of application by The Bodega Incorporated t/a The Cupboard at 1504 East Capitol Street NE (ABRA #086607) for renewal of its Class B Retail License.
 - Mr. Samburg noted that the ABL had received no complaints about the establishment, and that he had personally visited the establishment and had no concerns.
 - o Mr. Samburg moved that the ABL recommend that the ANC take no action on the application for renewal. Mr. Alberti seconded, and the motion passed, 5-0.
 - o **Recommendation:** ANC 6A take no action on the application by The Bodega Incorporated, t/a The Cupboard at 1504 East Capitol Street NE (ABRA #086607) for renewal of its Class B Retail License.
- Discussion of application by Bella Market LLC, t/a Economy Market at 1804 D Street NE (ABRA #094127) for renewal of its Class B Retail License.

- Mr. Samburg read an email received from a member of the community noting his
 positive experiences with the establishment and noting that he had never
 observed loitering outside the establishment.
- Mr. Samburg noted the history of challenges with illegal activity in the area of the establishment.
- A community member who lives nearby stated that the area presents a difficult situation. The community member noted that three different properties contribute to the challenges: Economy Market, Master Liquors, and the parking lot across the street. The community member noted that the three properties are all owned by the same individual.
- The community member noted that the area often has a number of people loitering, drinking publicly, and using drugs. The community member stated that people go into Economy Market, buy beer, stand outside, and drink it, which in turn serves as an "anchor" for more loitering and other problematic behaviors, including drug dealing and public urination.
- The community member noted that he and others in the neighborhood have tried to work through their ANC rep, the Metropolitan Police Department (MPD) and the Mayor's Office.
- Mr. Samburg noted that it is essential to call the Alcoholic Beverage Regulation Administration (ABRA) hotline for violations, to build a record of ongoing or regular violations.
- Mr. Alberti also encourage the community member to call the ABRA hotline. Mr. Alberti also noted that he has heard that one of the establishments the community member was discussing sells alcohol in go-cups, and encouraged the community member especially to contact the ABRA hotline for go-cup sales.
- Mr. Samburg noted that the Settlement Agreement (SA) with the establishment is old, and the renewal might provide an opportunity to renegotiate it if there were appropriate revisions to renegotiate.
- Commissioner Phillips-Gilbert noted that she visits the establishment, and has been impressed by the cleanliness of the market and its produce selection. She noted that she did not see large numbers of people loitering, and that she views the market as a community asset.
- Mr. Samburg noted that the language in the SA concerning loitering obligations is substantively identical to ANC 6A's current template language, and noted that there may not be other provisions that would be appropriate to renegotiate.
- Mr. Alberti moved that the ABL recommend that ANC 6A take no action on the application. Commissioner Phillips-Gilbert seconded, and the motion passed 5-0 (Commissioner Brown arrived during discussion of this matter and did not vote).
- Mr. Samburg noted that to the extent the community member believed there were concerns with Master Liquors, that establishment's license would also be before the ABL for renewal at some point.
- Recommendation: ANC 6A take no action on the application by Bella Market LLC, t/a Economy Market at 1804 D Street NE (ABRA #094127) for renewal of its Class B Retail License.
- Discussion of application by H St Liquors LLC t/a H Street Beverage Warehouse at 1431-1433 H Street NE (ABRA #117278) for a Class A Retail License.
 - Mr. Minora provided an overview of the application, noting that the
 establishment was seeking a tasting permit and a license permitting maximum
 hours of operation. Mr. Minora noted that he had been in contact with the ABL

- (Mr. Alberti and Mr. Samburg) regarding the establishment's settlement agreement.
- Mr. Alberti noted that Mr. Alberti and Mr. Samburg had been in touch with Mr. Minora.
- Mr. Alberti noted that he and Mr. Samburg made some changes to the existing SA template and had been exchanging drafts with the establishment.
- Mr. Alberti reviewed the settlement agreement and summarized its major provisions. Mr. Minora confirmed that Mr. Alberti's summary was accurate.
- Mr. Samburg asked whether the establishment intended to use the maximum permissible hours as its actual operating hours. Mr. Minora indicated that actual hours would depend on market needs once the establishment is operational.
- Mr. Samburg asked for more information about the planned tastings under the requested tasting permit. Mr. Minora indicated that Ms. Suri was better positioned to describe the tastings, but noted it would be used for periodic events, not a permanent tasting room.
- Mr. Alberti asked Mr. Minora for the limits on alcohol that may be served under a tasting permit. Mr. Minora reviewed the limits.
- Mr. Samburg asked Ms. Suri for more information about anticipated tastings.
- Ms. Suri indicate that her planned tastings would not be daily, and would be concentrated around high-end products and will be run by vendors.
- Mr. Alberti noted that the establishment will be close to several late-night taverns, and recommended that the establishment be careful about late-night sales. Ms. Suri noted that the vision for the establishment is high-end, relatively expensive products, and Ms. Suri noted that she anticipates that the price points will reduce some of the problems with late-night sales.
- Mr. Alberti asked whether the establishment planned to use the upstairs portion
 of the space. Ms. Suri indicated that those plans were not settled yet. Mr.
 Minora noted that the application was limited to the ground floor, and that while
 the upstairs space might be used for storage or office space, it would not be a
 customer area.
- Commissioner Brown noted that high prices would not necessarily address Mr. Alberti's concerns about late-night sales.
- Mr. Samburg moved that the ABL recommend the ANC take no action on the application, pending completion of a settlement agreement. Mr. Alberti seconded, and the motion passed 6-0.
- Recommendation: ANC 6A protest the application by H St Liquors LLC t/a H Street Beverage Warehouse at 1431-1433 H Street NE (ABRA #117278) for a Class A Retail License unless a signed Settlement Agreement is submitted before the protest deadline, and appoint the chair of the ANC and co-chairs of the ABL to represent the ANC in negotiating and signing the settlement agreement and in any protest matters.
- Discussion of application by Amazon Retail, LLC t/a TBD at 801 H Street NE (ABRA # 116873) for a Class B Retail License with Tasting Permit.
 - Mr. Alberti recommended that the discussion begin with discussions around the negotiations of the SA.
 - Mr. Kline recommended that before starting with the SA, the Committee start with questions or community concerns.

- Commissioner Brown indicated that the new establishment would be in her SMD, and that she is looking forward to seeing the new establishment. Commissioner Brown requested more information about the grocery/retail aspect of the store.
- Mr. Kenner stated that Amazon wants to bring new and interesting things to
 places where Amazon has headquarters locations, and believes that this
 operation fits that description. Amazon believes that these are good additions to
 communities.
- Mr. Horn explained that the store would sell standard grocery essentials, prepackaged meals, etc. Mr. Horn indicated that the store would also carry nonfood grocery items (e.g. toothpaste, paper products, etc.). Mr. Horn indicated that the alcohol section would be approximately 500 square feet out of approximately 13,500 square feet.
- Commissioner Soderman asked whether the store's offerings would be comparable to a bodega. Mr. Horn indicated that the store would have a greater focus on fresh foods, and would be a "small format grocery store."
- Commissioner Brown asked whether the planned footprint would be the western corner of the AVEC building. Mr. Kenner indicated that it would be.
- Commissioner Soderman asked whether Amazon was considering opening similar establishments in other wards. Mr. Kenner indicated that Amazon is just beginning the expansion of this format, so they are currently picking relatively few locations. Mr. Kenner indicated that the currently envisioned sites in DC would be H Street and a site on 14th Street NE. Mr. Kenner indicated that Amazon is looking for additional sites around the District and the region.
- Commissioner Soderman noted that expansion to underserved wards could be useful to help address some food deserts.
- Commissioner Phillips-Gilbert echoed Commissioner Soderman's thoughts about food deserts. Commissioner Phillips-Gilbert asked about the pricing of items at the new establishment. Mr. Horn noted that the assortment of items will be more "mainstream" than Whole Foods, with less focus on organic items, and that prices will generally be lower than Whole Foods.
- Mr. Alberti noted that the location was designed to have outdoor seating. Mr.
 Kline noted that the applicant was not seeking a sidewalk café endorsement. Mr.
 Alberti asked whether the applicant anticipated seeking such an endorsement,
 and Mr. Horn noted that he is not aware of any plans to do so.
- Mr. Alberti sought more information about what the store would be selling besides groceries. Mr. Horn indicated that the store would be selling things available at grocery stores—groceries, non-food household items. Mr. Alberti asked whether the store would be selling small appliances, and whether it would be similar to a Target in terms of inventory. Mr. Horn indicated that it would not be, and that it would really be a grocery store. Mr. Kenner indicated that Amazon has a different retail line that sells "hard goods," one of which will be opening in Bethesda.
- Commissioner Philips-Gilbert asked whether the establishment would be open to buying fresh produce from the community. Mr. Horn indicated that he only knows the alcohol side of the business, but that the alcohol side is prioritizing purchasing local alcohol. Mr. Horn offered to let the relevant team know about the question/interest and try to have an answer by the next ANC meeting.
- Commissioner Brown indicated that the community might appreciate use of the potential café space.

- Commissioner Brown asked how this would compare to the nearby 7-11. Mr.
 Horn indicated that this would be a very different store, with fresh foods, meats, produce, etc. Mr. Horn noted that he is unaware of any plans to proceed with a café.
- Commissioner Brown reiterated that a café would be beneficial.
- Mr. Kline noted that this establishment would sell a broader selection of goods than 7-11.
- A community member indicated that she lives in the building where this
 establishment plans to open, and that she strongly opposes it. The community
 member noted her concern about Amazon's surveillance and her concern about it
 being located on a corner with a large Black community. The community
 member expressed her concern about Amazon working to over-criminalize the
 residents of the neighborhood. The community member noted her concerns
 about Amazon's presence contributing to continued gentrification of Ward 6.
- A community member noted that Amazon sells technology and equipment to ICE and DHS, noted that Amazon collaborates with law enforcement to enforce laws against minorities. The community member further noted that Amazon used backdoor deals to get a site in Arlington. The community noted that she does not believe Amazon has any place in DC which is as a sanctuary city. The community member also noted that this will potentially push out minority-owned businesses.
- Commissioner Brown noted that she appreciated the positions expressed by the two community members, but noted her view that a locally owned business might not be able to afford the rent in the AVEC building, and her view that this would augment local businesses, not replace them. Commissioner Brown further noted that we have to balance the downsides of Amazon with the value brought to the community by having another place to purchase items without paying convenience store upcharges. Commissioner Brown further noted that this would be an improvement for the community now.
- Commissioner Phillips-Gilbert echoed Commissioner Brown's views.
 Commissioner Phillips-Gilbert asked whether the establishment would make an effort to hire from within the community. Mr. Horn indicated that he did not know whether there would be, but that he would take that suggestion/question back to the relevant Amazon people.
- Commissioner Brown noted that there may be an opportunity for the community and Amazon to discuss some of these issues. Mr. Kenner indicated that he would support doing so, and that he generally thinks hiring locally is a good idea.
- Commissioner Soderman asked to confirm that the establishment will have human employees, not be automated. Mr. Horn indicated that the establishment will be staffed, and Commissioner Soderman indicated that local hiring would be beneficial.
- A community member noted her understanding that this establishment would be an "AmazonGo," which is an automated operation. The community member noted that while those operations may drive down prices, there is no employment or benefit to the community. The community member noted that Amazon already has a presence across the street with Whole Foods. The community member expressed concern about Amazon's surveillance activities, data collection, and date sales. The community member noted that there is a risk of data collection outside the store, a risk of data collection with age verification at the point of sale for alcohol, and a risk with how Amazon retains

- that information. The community member noted that there is no shortage of food availability in the neighborhood.
- o Mr. Samburg asked whether this was an "AmazonGo" store. Mr. Kline noted that he has seen alcohol operations in AmazonGo stores, and those operations are staffed by humans, who are needed to check IDs and to confirm that customers are not intoxicated. Mr. Samburg asked whether Mr. Kenner or Mr. Horn would be able to speak to staffing at this specific location. Mr. Horn noted that the store will have human employees, including in the alcohol section, but does not know whether they will be at checkout.
- Mr. Alberti asked to confirm that human beings will check ID for age. Mr. Kline indicated that was correct.
- Commissioner Soderman indicated that AmazonGo stores are not well-staffed, and asked how that works with alcohol safeguards. Mr. Horn indicated that the alcohol section of the store will be enclosed.
- A community member noted that the purpose of AmazonGo is an experiment in cost reduction. The community member noted that if the experiment succeeds, it will be used as a model for eliminating staffing at other retail establishments, and the store is cheap to draw customers to increase experiment data.
- A community member indicated that Amazon employment is not necessarily good employment, given union relations and other labor practices.
- Commissioner Brown sought clarification on the scope of what the ABL was considering. Mr. Samburg indicated that the Committee considers whether applicants would be good alcohol-selling establishments within ANC 6A, but noted that he was concerned about the applicant's inability to answer some basic questions about the operations of the establishment.
- o Commissioner Brown indicated that she would be uneasy moving forward.
- Mr. Alberti noted that the ABL could continue to negotiate the SA while still allowing the ANC to consider and discuss the application at their next meeting.
 Mr. Samburg agreed, noting that reaching a mutually-agreeable SA is not a guarantee that the ANC will choose not to protest.
- Commissioner Phillips-Gilbert noted that a discussion with the community would be appropriate, and asked whether this matter could be considered by the ABL after such a discussion. Mr. Samburg noted that because of the protest deadline, there would not be an opportunity for the ABL to take this up again, though the ANC could.
- Mr. Kline asked to be heard, Mr. Samburg noted that he would have an opportunity after the Committee and Commissioners concluded the current discussion.
- Mr. Alberti noted that, absent grounds to deny an application, ABRA is going to grant an application, so it is important that the ABL continue to move forward on the SA.
- o Commissioner Phillips-Gilbert noted that she thinks it is important that Amazon address the questions and concerns raised during this discussion.
- Commissioner Brown agreed, noting that she would like to see a community meeting before the next ANC meeting.
- Commissioner Soderman agreed, noting that he believes businesses in ANC 6A should benefit ANC 6A.
- Mr. Kline noted that Amazon intends to do business in the community and wants to be a part of the community. Mr. Kline noted that the business will be here as

- a matter of right, and that this meeting is limited to an alcoholic beverage license.
- o Commissioner Phillips-Gilbert noted that she believes that community engagement now would likely benefit Amazon as well.
- Mr. Samburg noted that unless anyone had new material to discuss, he would recommend returning to a discussion of the SA. Mr. Alberti suggested that the best course of action would be for the ABL to continue to negotiate the SA, and bring any SA to the ANC for consideration.
- Mr. Samburg clarified, in response to a question from a community member, that the draft SA agreements being exchanged are not publicly available. Mr. Alberti clarified that if a SA is recommended to the ANC, it will be available in the December 2020 ANC 6A agenda package.
- Mr. Samburg described a potential motion, and Mr. Alberti recommended a change.
- o Mr. Samburg moved that the ABL recommend that Mr. Samburg and Mr. Alberti continue to negotiate a potential SA with the applicant, that any recommended SA only be subject to the approval of the chair of the ANC, and that if the chair of the ANC does not ratify the SA, that the ANC authorize the chair or vice-chair of the ANC or the co-chairs of the ABL to file a protest and represent the ANC in the protest process. Ms. Gentile seconded, and the motion passed 6-0.
- Mr. Samburg clarified that if a SA will be presented to the ANC, it will be available in the ANC December 2020 agenda package.
- Recommendation: ANC 6A protest the application by Amazon Retail, LLC t/a TBD at 801 H Street NE (ABRA # 116873) for a Class B Retail License with Tasting Permit unless a signed settlement agreement is approved by the chair of the ANC by the protest deadline, and appoint the chair and vice-chair of the ANC and cochairs of the ABL to represent the ANC in any protest.

V. Adjourn

The Committee adjourned at 9:05 pm.

Next meeting date: December 22, 2020, 7:00 pm.