

**Queen Anne's County Liquor Board
Minutes of Virtual (Zoom) Meeting**

**February 2, 2021
9:00 a.m.**

The Board of License Commissioners of Queen Anne's County held a virtual (zoom) meeting on Tuesday, February 2, 2021 at 9:00 a.m. There was no in person attendance. The meeting was called to order by Chairman Joyce E. Jones, Esq. Those present were: Joyce E. Jones, Esq., Chairman; Thomas E. Beery, Vice- Chairman; John T. McQueeney, Timothy G. Hibbard and Gene M. Ransom, III, Esq., Members; Cathy Maxwell, Clerk to the Board; Jeffrey E. Thompson, Esq., Attorney for the Board; Amy Moredock, Director of Planning & Zoning; Vivian Swinson, Zoning Administrator. Mr. Tom Calmon, Liquor Inspector, was not present.

Ms. Jones went over the procedures for the zoom meeting for those calling in.

The January 5 and January 11, 2021 Minutes and the January, 2021 Monthly Report from Tom Calmon, Liquor Inspector, were approved.

Mr. Warren Wright, Drug Free Coalition, appeared before the Board. Mr. Wright had a question about House Bill No. 185. Ms. Jones said a legislator was in a bar in Baltimore Co. He ordered a beer and that establishment told him he could only order a bucket of beer. He then drafted this legislation. The Baltimore Co. Board of License Commissioners has since admonished that licensed premises. A request has been made to pull the Bill.

PUBLIC HEARING:

The Board held a public hearing for proposed Rules and Regulations No. 2.55, Population and Numerical Limitations for the Fourth Election District. After discussion, Subsection (e)(iii) the final language will read: (iii) An application which provides, for the benefit of the public, a unique concept that is not currently offered in the Fourth Election District. Subsection (b) will read: All existing Class "A" licenses are grandfathered and are eligible to request transfer within the Fourth Election District. Subsection (c) will read: Any Class "A" license transferring to the Fourth Election District is subject to the population limitation. Ms. Jones said the final language is approved and all Members agreed. Ms. Jones asked for any comments from the public.

Ms. Yelana Skalinskaya, License holder for Kent Island Depot, appeared before the Board. She said she appreciates the Board addressing this issue. Regarding reclassification of a license, she asked how does this affect existing beer & wine license holders. She said these license holders should be given reasonable time to exercise their rights to do this. She said restricting reclassification of existing beer & wine license holders does not address the motive which is to control underage drinking. She said she already knows how to handle underage drinking. She said if the Board goes by the voting population and the number is 10,200 voters, we have already oversaturated the market by 300%. Using this ratio, she said the will never be another liquor store on Kent Island.

Mr. Warren Wright said adolescent use of alcohol in Queen Anne's Co., one thing the DFC strongly recommends is compliance checks in all the counties. He said this County has been doing a good job in this regard. He said he is in favor of this new Rule and he commended the Board for taking this action.

Mr. Sergey Nickolaev, who is the husband of Ms. Skalinskaya and owner of Kent Island Depot, appeared before the Board. He said the figure mentioned was 16,232 voters but he called the Election Board last week and they told him the number of voters is 10,200. He said they have a lot of business during the fishing season. Their bloodworm sales start in March through the end of October and sometimes into December. He said underage sales is very important. But another thing that is important to businesses is to make sure they do not have to close their doors. He said liquor stores have been doing well during the pandemic. He said beer and wine is not their main source of income. He said if the County allows stores like Royal Farms to come in right next to other existing businesses like Kent Island Depot, this would not be good.

Mr. Beery said the purpose of the Board in making this a new Rule is so it can be changed in the future if circumstances change. If the Board went to the legislation and asked for a change in the law, it would be much more difficult to come back later and expect the legislature to change what is being done.

Mr. Ransom said his understanding of this Rule is that Kent Island Depot would be grandfathered in under the clause. Mr. Joseph McQueeney, Esq., representing Kent Island Depot, appeared before the Board. He said his understanding is that the grandfathering in is with respect to their ability to transfer within the District without being subject to the population limitations but not the ability to seek a reclassification under subsection (d) which reads: Reclassification of a Class "A" license within the Fourth Election District is prohibited. For example, a Class "A" beer and wine license may not upgrade to a Class "A" beer, wine & liquor license. He said there is a concern about limiting the reclassification for existing license holders, unless they are grandfathered in. He said beer is the preferred alcohol consumption for underage people. So having a Class "A" beer and wine license and not being able to upgrade to beer, wine & liquor does not necessarily serve the interest in prohibiting or limiting underage consumption of alcohol. He said if an underage person gets someone older to purchase alcohol for him, he does not see how Kent Island Depot not having a liquor license is going to prevent this. It is the safeguards in place at the store that is important, not the actual inventory that they are selling. He said you can have market saturation at some point if you have too many Class "A" beer, wine & liquor licenses. At the same time, in the interest of innovation and competitiveness, the more locations you have, the more it serves the economic desires. There needs to be a balance determining how any Class "A" licenses you are allowed to have. He said the reclassification does put an unnecessary limit on something that would benefit the community. Especially with an exception that reads: (ii) A commercial location that is more than three (3) vehicular miles from another Class A licensed location. He said a small business like Kent Island Depot that is facing competition from Royal Farms, they might be saved by having a beer, wine & liquor license. He said he agrees that current holders of Class "A" beer & wine licenses should be given a period within which they can apply for reclassification and the Board can make a license-by-license determination based on where they are located and what they offer.

Mr. Beery said all the issues that have been brought up today have been discussed and have been covered. He said allowing current Class "A" beer & wine license holders to upgrade to beer, wine & liquor would open the door for approx.17 total establishments, which in a small area like Kent Island would be a bad example for saturation.

Mr. Hibbard said the Board was previously provided with information regarding the population data. He said the figure was 16,232 registered voters. He said there are approximately 17 Class "A" licenses presently in District 4. He said the Board does try to protect the public in making their decisions.

Mr. Ransom said the Board could consider passing this Rule with a delayed effective date. This would allow people who have applications a chance to come in. Mr. Beery said the Board has been working on this proposed Rule since November and he disagrees with delaying the effective date.

Mr. Art Mangum, license holder for Friendly Foods, appeared before the Board. He said if the Board extends the effective date until April or May, there will be 9 applications starting tomorrow to upgrade to beer, wine & liquor. He said if the Board is going to vote on this, then make it effective today. Mr. John McQueeney said he thinks the Board should at least give 30 days and eliminate subsection (iii) under Exceptions, which reads: (iii) An application which provides, for the benefit of the public, a unique concept that is not currently offered in the Fourth Election District.

A motion was made by Mr. Beery, seconded by Mr. Hibbard, to adopt proposed Rule No. 2.55 as written. Mr. Ransom asked how does this affect the applications that are pending and were introduced before this Rule takes effect. Ms. Jones said she does not think there is a complete application on file presently. Mr. Joseph McQueeney said there is a complete application pending that was submitted for advertising last month and the Board selected to defer it until this month. Mr. Thompson said absent an approval, he does not think this can go forward even if it is a complete application. If the Board wants to consider this application, they should put in some sort of effective date or grandfather in pending applications. Otherwise, the section becomes effective immediately and unless you already have a license, not a pending license or a hearing forthcoming, it is a moot point. Mr. Ransom made a motion, seconded by Mr. McQueeney, to amend the previous motion to make the effective date for proposed Rule 2.55 March 31, 2021. Mr. Ransom and Mr. McQueeney voted in favor of the motion. Ms. Jones, Mr. Beery and Mr. Hibbard voted against the motion. Regarding the original motion for proposed Rule 2.55, Ms. Jones, Mr. Beery and Mr. Hibbard, voted in favor of the motion. Mr. Ransom and Mr. McQueeney voted against the motion. The motion carried with a vote of 3-to-2 for proposed Rule 2.55 to become effective this date, February 2, 2021.

REVIEW FOR ADVERTISING:

A new/reclassification Class "A" beer, wine & liquor license for Sergey Nikolaev and Kyle Ritter, for the Benefit of Clearview 321, LLC, trading as Kent Island Depot, located at 320 Romancoke RD., Stevensville, MD 21666. Kent Island Depot currently has a Class "A" beer & wine license. Mr. Thompson said the application and documents are in order. Ms. Jones said unless this business offers a unique concept, newly adopted Rule 2.55 will not permit another Class "A" license in the 4th Election District. Joseph McQueeney, Esq. appeared representing the

applicants. He said this establishment has a carwash which is unique. This is a convenience store with a gas station. They offer food products. A Royal Farms is coming right next to them. The sale of alcoholic beverages including liquor would be something that would help them survive. Ms. Jones advised the applicant that if this is approved for advertising, they will have to present something unique under the new Rule 2.55 at the public hearing next month. Joseph McQueeney, Esq. said his clients are ready to move forward with advertising. A public hearing on this application will be held on Tuesday, March 2, 2021. Ms. Jones said the licensees must also meet with Mr. Calmon.

PUBLIC HEARINGS:

For the transfer of a Class "B" beer, wine & liquor license, from Sandeep Patel to Joshua McCallen, for the benefit of Kent Manor FBS, LLC, trading as Kent Manor Inn, located at 500 Kent Manor Drive, Stevensville, MD 21666. Ms. Jones said documents still needed are the Amended Operating Agreement, background check and the licensees have not met with Mr. Calmon. Mr. McCallen and his Attorney, David Mister, Esq. appeared before the Board. Mr. Ransom said the hearing cannot proceed without a background check. Mr. Mister requested that this hearing be continued until the March 2, 2021 meeting. Mr. Thompson said he had also asked for a Resolution from the entity designating Mr. McCallen. Mr. McCallen said he is the sole owner. Mr. Mister said he has asked corporate Counsel to submit the Resolution for Mr. McCallen's execution as the executive officer of each of the entities. A motion was made by Mr. Ransom, seconded by Mr. Hibbard, to continue this hearing until the March 2, 2021 meeting. All members voted in favor.

For the transfer of a Class "B" beer, wine & liquor license, from Andrew A. Schulz to Tracy T. Schulz, for the benefit of Crab Deck, LLC, trading as Fisherman's Crab Deck, located at 3032 Kent Narrows Way South, Grasonville, MD 21638. The Board is also reviewing an Affidavit to transfer the Fisherman's Inn Class "B" beer, wine & liquor license to Andrew A. Schulz. Mr. Tracy Schulz and his Attorney, Patrick Thompson, Esq. appeared before the Board. Mr. Jeff Thompson administered the oath to all who were to testify. No one appeared in opposition to the granting of this application. Mr. Thompson said all documents were in order and all advertising requirements have been met. Concerning the Crab Deck transfer, Mr. Tracy Schulz said the Crab Deck been in operation since 1995 and has had a liquor license the entire time with no problems. He said all of his employees have alcohol awareness training. Ms. Jones reviewed §4-210 of the Alcoholic Beverages Code – Approval or denial of License Application. Mr. Schulz said because this license is already in effect, there will be no negative impact on any existing licensees or the health, safety and welfare of the community. There is adequate parking. A motion was made by Mr. Ransom, seconded by Mr. Beery, to approve the transfer of this license, contingent upon Mr. Schulz meeting with Mr. Calmon. All members voted in favor. Concerning the Affidavit for Fisherman's Inn, Mr. Jeff Thompson said the paperwork is in order. A motion was made by Mr. Ransom, seconded by Mr. McQueeney, to approve the Affidavit which transfers the Class "B" beer, wine & liquor license to Andrew A. Schulz. Mr. Jeff Thompson said the Board is permitting a substitution of officers under § 4-306 of the Alcoholic Beverages Code. Mr. Beery, Mr. Ransom, Mr. McQueeney and Mr. Hibbard voted in favor of the transfer. Ms. Jones was unable to vote due to technical difficulties.

For the transfer of a Class “A” beer, wine & liquor license, from Sunil and Renu Datta to Dhara S. Patel and Renu Datta, for the benefit of Shree Hari OM, LLC, trading as Rhodes Store, located at 620 Main St., Church Hill, MD 21623. Because a background check has not been received for one of the new licensees, a motion was made by Mr. Ransom, seconded by Mr. Hibbard, to continue this hearing until the February 22, 2021 scheduled meeting. All members voted in favor.

For a new Class “B” beer & wine license for Ignazio Bonanni, for the benefit of Cobon, LLC, trading as Avanti Pizzeria, Trattoria and Market, located at 419 Thompson Creek Rd., Stevensville, MD 21666. Mr. Bonanni and his Attorney, Joseph McQueeney, Esq. appeared before the Board. Member John McQueeney recused himself as he is the father of Joseph McQueeney, Esq. Mr. Thompson administered the oath to all who were to testify. No one appeared in opposition to the granting of this application. Mr. Thompson said all documents were in order and all advertising requirements have been met. The application and supporting documents were entered collectively as Applicant’s Exhibit A. Mr. Bonanni is a citizen of the U.S. and has lived at his current address for approx. one year. He has not previously had an alcohol license in Queen Anne’s Co. and has never violated any laws governing the sale of alcohol. He has no financial interest in any other business. Mr. Bonanni said he has an authentic Italian restaurant for dine in and carry out. He has operated the restaurant for approx. two months. He is the only member of the Company and the only one authorized to apply for this license. There are no other officers or directors. Mr. McQueeney reviewed §4-210 of the Alcoholic Beverages Code – Approval or denial of License Application. Mr. Bonanni feels there is a need for this license. There was an Italian restaurant previously at this location which held a liquor license. He does not feel this license will have a negative impact on existing licensees in the area. There will be no negative impact on any existing licensees or the health, safety and welfare of the community. There is adequate parking. Mr. Bonanni has alcohol awareness certification. He said there will always be someone on the premises that has certification. A motion was made by Mr. Beery, seconded by Mr. Ransom, to approve the transfer of this license. All members voted in favor.

The following 2021 renewal applications were approved: Carletto’s, Classic Pizza, Friendly Foods and Ledo’s Pizza.

The Board discussed the status of the revised liquor license application. This application needs to be sent to Mr. Jeff Kelley at the Alcohol and Tobacco Commission for approval.

The Board discussed pending legislation, beginning with House Bill 12/Senate Bill 205 – Alcoholic Beverages – Sale or Delivery for Off-Premises Consumption. Co. Commissioner Phil Dumenil appeared before the Board. He said the only concern the Commissioners had was a cutoff point or “sunset provision”. Mr. Beery said he thinks the Commissioners, through a motion, said that they wanted for the County to be able to opt out of this Bill. Mr. Beery has since discussed this with the Economic Development Commission and they requested this Board consider a rule going forward that would pre-empt this Bill. The Board is not prepared to

present this at this point. He did send a copy to Commissioner Corchiarino to review. Mr. Beery said this may be something this Board can do by a Rule rather than a change in legislation. Ms. Jones said many counties were opposed to Subsection "c" which this Board was unanimously opposed to, which was not charging a fee. This Board currently charges a permit fee for deliveries. She said the State Licensing Association spoke with St. Mary's Co. and they indicated that they are not opposed to adding a "sunset provision" and a limitation on alcohol. This is not currently in the Bill. She said she stated on the Economic Development call that this County is unique in that this Board is not prohibited by statutes as some counties are and can add this Rule since we do not have an open container law. Commissioner Dumenil said at this point he is not sure what the Co. Commissioners want to do on this Bill. He said there were discussions about the option to opt out or a "sunset provision". Concerning the chain store legislation, Mr. Ransom said Todd Mohn had advised him the Commissioners would discuss this when it was introduced. Mr. Ransom said this Bill should be introduced in the next week or two. Concerning proposed legislation regarding distance from a place of worship, an amendment was made last year. Mr. Ransom said he spoke to Bruce Bereano, Esq., a lobbyist for the County, who said the Bill passed all the way through, it just didn't get concurrent from the Senate. Mr. Bereano indicated he would follow up on this. Mr. Ransom said he will follow up on this. Mr. Beery said on a recent MALA call, they indicated all the alcohol related legislation would be heard on February 18, 2021.

The Board discussed the 2021 Budget. Ms. Jones said it has been submitted to Planning & Zoning.

Mr. Warren Wright, Drug Free Coalition, appeared before the Board. He said he prepared testimony for HB 12/SB 205. He sent a letter to one of the volunteers who has done a lot of work with compliance checks, along with a small cash contribution from the DFC. Mr. McQueeney said he wanted to thank Mr. Wright for recognizing Makenzie Miller for the volunteer work she has done assisting Mr. Calmon with compliance checks.

At approx. 10:40 a.m. a motion was made by Ms. Jones, seconded by Mr. Beery, to go into executive session to obtain legal advice. All members voted in favor. The Board returned to open session at 11:30 a.m. No decisions were made in the executive session.

There being no further business the meeting was adjourned, to meet again for a special meeting on Monday, February 22, 2021.

Respectfully Submitted,



Cathy Maxwell, Clerk

/s/ Joyce E. Jones
Joyce E. Jones, Esq., Chairman