#### DISTRICT OF COLUMBIA

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### ALCOHOLIC BEVERAGE CONTROL BOARD

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IN THE MATTER OF:

:

Woodland Group, LLC, t/a Cortez

1905 9th Street NW : Protest

Retailer CR - ANC 1B : Hearing (Status)

License No. 108275 : Case #19-PRO-00142 :

(Substantial Change : [Class Change from CR to : CT)

Wednesday February 26, 2020

The Alcoholic Beverage Control Board met in the Alcoholic Beverage Control Hearing Room, Reeves Building, 2000 14th Street, N.W., Suite 400S, Washington, D.C. 20009, Chairperson Donovan W. Anderson, presiding.

#### PRESENT:

DONOVAN W. ANDERSON, Chairperson
JENI HANSEN, Member
BOBBY CATO, JR., Member
RAFI ALIYA CROCKETT, Member
JAMES SHORT, JR., Member
REMA WAHABZADAH, Member
ALSO PRESENT:
DAN ORLASKEY, Protestant, ANC 1B
ANDREW KLINE, Counsel for Applicant

# 1 P-R-O-C-E-E-D-I-N-G-S 9:41 a.m. 2 3 CHAIRPERSON ANDERSON: The next case on 4 our calendar is Case No. 19-PRO-00142, Cortez, 5 License No. 108275. Will the parties please approach and identify themselves for the record, 6 7 please? 8 MR. CLINE: Good morning. Andrew Cline on behalf of the Applicant. 9 10 CHAIRPERSON ANDERSON: Good morning, 11 Mr. Cline. 12 MR. ORLASKEY: Dan Orlaskey, ANC. 13 CHAIRPERSON ANDERSON: Good morning, 14 Mr. Orlaskey. Are there any preliminary matters 15 in this case? 16 MR. CLINE: Mr. Chairman, we have a 17 Motion to Dismiss pending, and I'd like to be heard on it because I think that some of the 18 19 issues that are raised in that motion may not 20 have been at this point adequately addressed or 21 understood by the Board. I'd like to speak to it 22 for a few minutes if I might. 23 MR. ORLASKEY: The ANC hasn't had a 24 chance to prepare anything to respond to that.

CHAIRPERSON ANDERSON: A motion was

1 filed.

MR. ORLASKEY: Yes, and we filed a response to it, but I was not prepared to -
CHAIRPERSON ANDERSON: He just wants -I'm sorry.

MR. ORLASKEY: -- make arguments today.

CHAIRPERSON ANDERSON: I will give him
a couple of minutes. Do you have the motion?

MR. ORLASKEY: I don't have the motion
in front of me.

CHAIRPERSON ANDERSON: I do not expect that he's making new arguments. I believe that the arguments that he's making is the arguments that were filed in his motion, so he just wants to make it orally. I will give briefly an opportunity to address the motion. If you have a response, you can. If you don't have a response, that's fine. I doubt that we will make a decision today, but I'll give you a couple of minutes, Mr. Cline, to make some oral arguments on the motion that you have filed. Go ahead, sir.

MR. CLINE: Mr. Chairman, we filed a motion in this case and several other cases to dismiss on the grounds that specifically this ANC

had filed protests, but did not say why. Under one of the grounds of appropriateness, the establishment was inappropriate \*\*\*9:43:46. Now the Board has ruled on one of these motions, but I thought it important to put these motions in context and talk about what I'll call the elephant in the room, which is something called a settlement agreement process which we don't acknowledge exists under the law.

What the settlement agreement process is commonly understood to be is a process whereby neighborhoods, and specifically ANCs, can demand and extract settlement agreements without any specific objection to the establishment. We believe that that is why the regulations require that there be a statement as to why it is under one of the appropriateness grounds, there's an objection to the license.

We've had mediation recently, and we won't get into who or what, as it would be inappropriate. When the mediator asked what the concerns were, the response were there aren't any concerns. So what's happening is this process is being distorted, not because there are any particular issues with a particular establishment

in many cases, but because of the desire on the part certain ANCs to extract these agreements and have their own set of rules and regulations in a specific neighborhood.

The statute doesn't contemplate that. We have a long ABC statute. It's very comprehensive. We have a comprehensive set of regulations. Those are the things that operators should be expected to comply with. If there are specific issues in a particular neighborhood with a specific establishment, then yes, this process is available to raise those issues, and those issues will either be addressed through a hearing where the Board will hear the evidence and say, yeah, we've got a problem here. We should impose some limitations or controls. Or through a settlement, just like in a court case where parties come together, they have a dispute, and if they decide that they want to settle it before it comes before the judge, then the parties are free to do that, as they are in this process.

But what's happened here is this process is off the tracks, it's off the rails, and we have many applications that are being protested, not because there's any particular

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problem, as evidenced by the mediation that we attended recently. We were told no, we don't have any issues. The mediator said, well, what are we doing here? So we don't know what we're doing here in these cases other than an effort to do something that's not authorized by the law.

Now in closing, I want to add there's a study that has come out this morning. It was released by the Mayor's Office of Nightlife and Culture, and that study found 40 percent of the survey respondents cited navigating regulatory processes as a major operational challenge.

Nineteen percent specifically mentioned this process. Now those challenges don't relate to what the licensing staff does.

I mean, the licensing staff does a good job. They push these applications through, and although some think the timeline is too long, at least it's certain. We know what it is. We know what the timeline is. But the uncertainty relates to these protests that are filed again, not because there's any particular concern with a specific establishment, but simply because of a desire to impose and graft upon licensees in the neighborhood an additional set of rules and

regulations which have not been authorized by this Board and not authorized by the Council.

That's why we think this motion in the Cortez case, along with the others that we've filed in other cases, is so important. We think at a minimum, a protestant should be able to say in their initial filing why are they objecting to a place? Why is it inappropriate under one of the grounds of appropriateness? If it's peace, order and quiet, is it because of people queuing on the sidewalk? Is it because of noise from the establishment? If it's real property values, what is it specifically?

This doesn't impose any burden on anyone. It's just common sense that okay, you're complaining. What are you complaining about? So with that in mind, we would ask the Board to seriously consider the motion that we filed in the Cortez case and in the other cases that are before the Board, including the one that Board has already decided, with an eye towards this issue, specifically in light of the information that's come out from the Nightlife Study that was done comprehensively by the Mayor's Office on Nightlife and Culture.

CHAIRPERSON ANDERSON: Thank you. Mr. Orlaskey, do you have a response? You don't have to, it's not necessary, but if you want to.

MR. ORLASKEY: I have just a few comments. For one, the ANC has complied with all of the requirements ABRA has set forth. Our protest letter clearly states the basis for our claims. What I think this really comes down to is trying to make an already complicated and difficult process for the community almost impossible.

I believe what Mr. Cline described is the process we're in right now. It is in process and hasn't fully played out. I also think revealing conversations that were had in mediation, even just alluding to them, is improper. I believe that having an oral argument without, you know, giving the ANC notice that this was about to happen is also improper.

I believe this issue was addressed in the flash ruling, and I think that there should be no reason why the motions in these other two cases should be ruled on any differently.

CHAIRPERSON ANDERSON: Thank you, Mr. Orlaskey. Just as an FYI, he filed a motion, you

filed a responsive motion and we're having a hearing today. So it shouldn't have surprised you that he would've wanted to address the motion since both parties are here today. So I'm not saying that you are unprepared, but he filed the motion, you responded and so it's on our agenda. The Board will take on the motion under advisement and we will -- I know it's on our legal agenda for the day, and we will issue a decision based on the filings by both parties, however.

MR. ORLASKEY: Okay.

CHAIRPERSON ANDERSON: So with that said, this matter then is scheduled for a protest hearing on April 1st at 1:30. I did read the instructions earlier for a protest hearing. Are both parties comfortable with the process moving forward with the protest hearing if there is not settlement?

MR. ORLASKEY: Yes.

MR. CLINE: Yes, sir. Thank you. CHAIRPERSON ANDERSON: Thank you. So

April 1st at 1:30.

(Whereupon, the above-entitled matter went off the record at 9:51:02 a.m.)

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## <u>C E R T I F I C A T E</u>

This is to certify that the foregoing transcript

In the matter of: Cortez

Before: DCABRA

Date: 02-26-20

Place: Washington, DC

was duly recorded and accurately transcribed under my direction; further, that said transcript is a true and accurate record of the proceedings.

Court Reporter

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