



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: July 23, 2019

DATE: June 17, 2019

TO: Board of County Commissioners

FROM: Chad Giesinger, Planning Manager, Planning & Building Division
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THROUGH: Mojra Hauenstein, Arch., Planner, Division Director, Planning &
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SUBJECT: Recommendation to approve, Pursuant to NRS Chapter 369 and WCC Chapter 30, the State of Nevada Manufacturer's Brew Pub License, with recommended conditions, for a second brew pub location for Kevin Drake, dba Alibi Incline, LLC, and if approved, authorize each Commissioner to sign the State of Nevada *Application for Manufacturer's License* with direction for the County Clerk to attest the license application. Among other things, a brew pub involves the manufacture, storage, and sale of malt beverages (typically beer) on the premises. By law, the Board is tasked with approving or denying these licenses for the State of Nevada. Approval of the license must be based on a determination that the individual applicants, Kevin Drake and Richard Romo, are of "good moral character," which includes but is not limited to a review of records of criminal convictions, if any, in the histories of the applicants, as well as any issues concerning any child support obligations of the applicants. The brew pub is proposed to be located at 931 Tahoe Blvd (in the old Hacienda restaurant, APN 132-231-07) on property zoned General Commercial (GC) within the Incline Village Commercial Community Plan area, Special Planning Area #1.
(Commission District 1.)

SUMMARY

Review and approve, with recommended conditions, the application for a State of Nevada Manufacturer's Brew Pub License submitted by Kevin Drake, dba Alibi Incline, LLC.

Pursuant to NRS 369.180, 369.190, and 369.200 and Washoe County Code (WCC) Sections 30.3331 and 30.3335, the Washoe County Commission shall approve or disapprove applications to engage in business as a brew pub in Washoe County.

Washoe County Strategic Objective supported by this item: Proactive economic development and diversification.

PREVIOUS BOARD ACTION

AGENDA ITEM # _____

On July 8, 2014, the Washoe County Board of County Commissioners (Board) approved a State of Nevada Manufacturer's Brew Pub License to operate a brew pub (craft brewery with a tasting room) at 204 East Enterprise Street, Incline Village, Nevada for Kevin Drake (Alibi Ale Works).

BACKGROUND

Kevin Drake, dba Alibi Incline, has applied for a State of Nevada Manufacturer's Brew Pub License to operate a second brew pub in Incline Village located at 931 Tahoe Blvd. (see Attachment A for a vicinity map). Kevin M. Drake is listed as the President of Alibi Incline, LLC and Richard R. Romo is listed as the CEO. The State of Nevada application for a manufacturer's license is dated May 30, 2019.

Since the proposed business will be located in the unincorporated County, Mr. Drake applied on May 30, 2019 for a Washoe County general business license, cabaret liquor license (to serve alcohol other than the beer to be brewed on-site), packaged liquor license, and brew pub intoxicating liquor license. Mr. Drake has paid all Washoe County business license application fees as required by the *Master Liquor License Fee Schedule* adopted by the County Commission.

The property is zoned General Commercial (GC) and is located within the Incline Village Commercial Community Plan area, Special Planning Area #1. Within this planning area, the business operation is classified as either eating and drinking places or food and beverage retail sales, both of which are allowed "by right" with the issuance of the applicable business license(s). The proposed business location is in the old Hacienda Restaurant, which was a use very similar to the proposed use. Therefore, any potential land use impacts should be similar to previous uses at this location.

In addition to applying for business/liquor licenses, the applicants have also applied for, and have been issued, a building permit for associated tenant improvements to accommodate the brew pub use (such as a new cold-storage room and other improvements). Both the building permit and business licenses will require approval from the Planning and Building Division, the North Lake Tahoe Fire Protection District, the Health District, and the Incline Village General Improvement District. Business license staff has routed all requested licenses to these agencies for review and approval.

The business is seeking to open with limited operations prior to the Board hearing on July 23, 2019 to approve the Washoe County brew pub license, so all other requested licenses may be issued if they receive agency approval prior to July 23, 2019. Business license staff will issue the Washoe County brew pub license if the State of Nevada Manufacturer's Brew Pub License application is approved by the Board (and after approval by all reviewing agencies of the brewery portion/aspect of the business operation). The applicant has indicated that they intend to brew only small, limited batches of craft brew at this location, so the majority of business activity will be related to the other business license types. Larger scale craft beer production will remain at the original location at 204 East Enterprise Street, Incline Village.

NRS 369.190(3) and WCC Section 30.160(1)(b)(1) specify that the County Commission "require satisfactory evidence that the applicant is a person of good moral character"

when reviewing and approving a State of Nevada Manufacturer's License application. Both Mr. Drake and Mr. Romo completed the required *Liquor License Personal History* form and replied in the negative to any felony criminal convictions in the past 10 years or to any revocations of either a liquor license or work permit. Mr. Drake also completed a *Child Support Compliance Statement/Exemption Form* and attested that the company is exempted from the Nevada Welfare Reform Act as a Limited Liability Company. Based on the information provided on these two forms, and past history of operating the existing brew pub, staff has determined that the applicants are of "good moral character" and are suitable to hold the State license under the provisions of State Law and County Code. Copies of both sets of forms contain personal information, so are not included in this staff report but are available to the Commission upon request.

Pursuant to Washoe County Code (WCC) Section 30.3333(4), business license staff requested that the Sheriff's Office conduct a criminal history inquiry for Richard R. Romo and Kevin M. Drake. Although both individuals had successfully completed a previous criminal history inquiry during licensing of the original Alibi Ale Works brew pub location in 2014, a new inquiry is required because it has been more than one year since the last inquiry. The applicants have submitted the required fingerprint worksheet and a criminal history inquiry has been processed. The inquiry results were returned on July 10, 2019 and found that both applicants meet the eligibility requirements for a Washoe County Business License based on WCC Sections 30.160 and 25.023 (i.e. no history of a criminal record with the Sheriff's Office in the last 10 years). Therefore, based on the results of the criminal history inquiry, the known track record of operating the current brew pub location, and good standing on those liquor licenses, staff believes both applicants are suitable to hold additional Washoe County liquor licenses.

NRS 597.230 outlines several requirements for operating a brew pub in the State of Nevada. State law limits the total manufacturing of malt beverage to no more than 40,000 barrels from all the brew pubs operated by a person in a County in any calendar year [NRS 597.230(1)]. Additionally, brew pubs must conspicuously identify their premises as a "brew pub" [NRS 597.230(2)]; and may manufacture and store malt beverages on the premises of the brew pub, sell and transport their beverages to valid wholesale dealers, donate for charitable or nonprofit purposes malt beverage manufactured on the premises, sell at retail malt beverages manufactured on or off the premises for consumption on the premises, and/or sell at retail in packages sealed on the premises malt beverages manufactured on the premises for consumption off premise [NRS 597.230(3)]. Staff recommends that the requirements and restrictions established within NRS 597.230 be placed as recommended conditions on the Manufacturer's License application. If approved, staff will add the recommended conditions to the original copy of the State of Nevada Manufacturer's Brew Pub License application.

FISCAL IMPACT

A holder of a Washoe County brew pub/brewery liquor license pays a fixed fee of \$227 per quarter plus an additional quarterly fee based on annual gross liquor receipts as set forth in the Master Liquor License Fee Schedule. At least \$908 annual liquor license revenue to the County is expected from this application. Liquor license revenue is recorded in the General Fund, Permits & Licenses (105402), Liquor License account (421200).

The applicant must also maintain a Washoe County general business license and pay annual fees established in the Master Business License Fee Schedule adopted by the County Commission. Fees are based on reported annual gross receipts ranging from \$55 to \$655. An additional \$2.75 regional technology fee is also collected for each license. General business license revenues are recorded in the General Fund, Permits & Licenses (105402), General Business License account (421101).

RECOMMENDATION

It is recommended that the Board of County Commissioners approve the State of Nevada Manufacturer's Brew Pub License, with recommended conditions contained in the staff report and as listed below, for Kevin Drake, dba Alibi Incline, LLC, and if approved, authorize each Commissioner to sign the State of Nevada *Application for Manufacturer's License* with direction for the County Clerk to attest the license application.

1. Alibi Incline, LLC, and Alibi Ale Works, LLC, may not manufacture more than 40,000 barrels of malt beverage from all brew pubs operated by the company in Washoe County in any calendar year.
2. Alibi Incline, LLC, must conspicuously identify their premises at 931 Tahoe Blvd., Incline Village, Nevada as a brew pub.
3. Alibi Incline, LLC, must adhere to the manufacturing, storage, donation and selling limitations outlined in NRS 597.230(3).

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be:

"Move to approve the State of Nevada Manufacturer's Brew Pub License, with recommended conditions contained in the staff report, for Kevin Drake, dba Alibi Ale Works, LLC, and if approved, authorize each Commissioner to sign the State of Nevada *Application for Manufacturer's License* with direction for the County Clerk to attest the license application."

Attachments: A. Vicinity / Location Map
B. Manufacturer's License Application
C. Supporting NRS and Washoe County Code Regulations

cc: Kevin Drake, dba Alibi Incline, LLC, 931 Tahoe Blvd., Incline Village, NV
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89706: Attn: Shelly Hansen (nvliquor@tax.state.nv.us)