



THE MARYLAND GENERAL ASSEMBLY
LEGISLATIVE DISTRICT 46
BALTIMORE CITY

March 23, 2017

Team 46 Update Regarding Cross Street Market Renovation & Liquor License

Over the last five months, there has been continued neighborhood conversation and concern related to renovating Cross Street Market. We have engaged in hundreds of conversations over the last several months and we will continue to have conversations over the last three weeks of the legislative session on this important issue. There is consensus that the Market should be renovated, but differences of opinion over the specifics.

Last month the Delegation proposed draft legislation creating a new public market liquor license at Cross Street Market. That draft legislation attempted to incorporate the overwhelming feedback received from the community at that time as well as the needs of the operator. We told all stakeholders that we were open to amendments but the operator, Caves Valley Partners (CVP), decided - at that time - to withdraw. As we said then, and as we continue to believe, CVP was proposing a bold vision that could have enhanced the surrounding communities and benefited the current merchants, but that vision was not universally shared. From the outset, we hoped that the operator, community members, and current merchants could reach a place of compromise that would ease community concerns and provide a pathway toward a renovated and revitalized Cross Street Market.

After it announced its withdrawal, CVP reached out to the Delegation. We had a candid conversation with CVP related to the legitimate concerns of merchants and families from whom we had heard, as well as our concern about the apparent lack of public support for the project, and the tone they had taken with some of our constituents.

The substantive concerns that were expressed by community members included:

- The status of the liquor licenses presently held by merchants at the market, including:
 - Whether a new license will be added in 23-001, an area where 40 licenses presently exist,
 - The future of the two existing licenses in the Market, which include:
 - A Class B restaurant, beer and wine license held at Big Jim's Deli, and
 - A Class D beer and wine tavern license held at Nick's Seafood,
 - The concern that a new liquor license would result in two more licenses being sent outside the market into Federal Hill.
- Whether the new market would turn into a beer hall or "mega bar," where alcohol was generally available for purchase.

- The amount of space in the Market where alcohol would be served.
- The hours of operation and the hours during which alcohol could be served.
- Whether the Market would participate in pub crawls or all-you-can-drink specials.
- Whether the Market would allow for the service of liquor, along with wine and beer.
- Whether the Market would be a place where families with children would be comfortable to visit.

There were further concerns that were expressed that were not connected to a liquor license in Cross Street Market:

- That existing merchants would have to close for ten months while renovations were underway.
- That existing merchants did not have an equivalent space to move to during the renovations.
- That rental prices for merchants were projected to be prohibitively high.

Although prior to CVP's withdrawal we had heard from very few supporters of the project, immediately following CVP's withdrawal we began to hear from hundreds of residents who support the renovation. They expressed their concerns that renovations would be further postponed, and the opportunities for commercial revitalization limited.

Two weeks ago, CVP announced its new plan for Cross Street Market. The Delegation heard about CVP's new plan when it was made public to everyone. The new plan addresses two major issues from the merchants - the market will not shut down during renovations and the initial rents will be lower to help merchants who decide to stay.

After the new plan was released, we immediately reached out to Anna Epsilantis, owner of Big Jim's Deli, and one of the main contacts we have had with the existing merchants. During the conversation, Mrs. Epsilantis asked for the Delegation to attempt to set up a meeting between the merchants and CVP. CVP offered to meet with the merchants during the week of March 6, however, the merchants responded that they were not available until March 17. We are pleased to hear that as of today, fourteen of the merchants have signed new six-month leases - all with the same rents that they have been paying until now. We understand that several vendors are in negotiations with CVP to extend beyond the six months, and we look forward to hearing further about these positive developments in the days to come.

One piece of a high-functioning, modern public market is a well-crafted liquor license. The license must both allow for successful restaurant space and also ensure that no pub crawls or other non-community-friendly behavior is encouraged. From our conversations with CVP, we understand that the last thing they want is to create a Market with a party atmosphere. They want it to be family-friendly, welcoming to locals, and a pride of the neighborhood. CVP has a new plan and we have heard from nearly 1,000 members of the immediate area that support the concept. We have developed a two-pronged approach to support the merchants and to ensure a liquor license with appropriate guardrails is passed.

- 1) **Bond Bill to Support Merchants** - We introduced a bond bill ([SB 1186](#)) to ask the State to provide \$250,000 in capital funds to help support the merchants throughout the renovation. Given the limited amount of capital dollars available, we did not expect to receive the entire amount requested. This week, we learned that we were able to secure \$200,000 in local project capital facility funding for the Baltimore Public Markets Corporation to help existing tenants

improve their retail spaces. This money is currently allocated in the Senate's version of the state capital budget, and we will fight to ensure that this tenant improvement funding is included in the final budget we pass this year.

2) **Amendments** - We have drafted a new amendment to the 46th District Alcoholic Beverages Act of 2017 (HB 1348/SB 1035) that creates a market license for Cross Street Market. The amendment adding a Market license to SB 1035 can be [viewed here](#). Taking feedback from both CVP and hundreds of community members, here are the key terms of the amendment that we have drafted that attempt to balance the many stakeholder interests related to this project:

- Nick's Seafood has been carved out of the proposed liquor license. They will retain their license under the proposed legislation. The sales at Nick's will not count towards the larger food percentage described below.
- Sixty-five percent (65%) of the sales from the remainder of the market must be from items other than alcoholic beverages. We added language to our previous proposal that explicitly excludes food served outside the market from the food percentage to address concerns about off-site catering.
- The amendment clarifies the language banning pub crawls to explicitly state that individual vendors inside the Market could not participate in pub crawls involving other license holders either inside or outside of the market. This language will prevent pub crawls inside the Market.
- The amendment limits the floor space of the portion of the market where alcohol may be served to 20% of the leasable tenant area. Again, the "leasable area" includes the area in the market minus the area covered by Nick's and does not include common areas and walkways.
- The amendment limits the size of any stall that serves alcohol to a maximum of 1,000 square feet.
- The amendment allows for the serving of alcoholic beverages other than beer and wine, so long as that liquor is served in mixed drinks and sold for no less than \$5 per drink.
- The hours when alcohol could be served at the Market would be from 11:30 a.m. to 10 p.m. Monday to Thursday; from 11:30 a.m. to 11:30 p.m. on Friday, from 9 a.m. to 11:30 p.m. on Saturdays, and from 9 a.m. to 9 p.m. on Sundays.
- Similar to the recently-approved market license for Mount Vernon Marketplace, the annual fee on the Market will be \$6,500. If CVP is willing to spend the money necessary to purchase another entity's liquor license in the same precinct and then extinguishes it, the fee will go down to \$2,500 a year.
- Finally, we incorporated a new provision that requires the Baltimore City Liquor Board to develop tailored regulations specific to the operations of this unique public market license. Issues related to the following activities will be governed by regulation, which allows for greater accountability at the local level: (1) conduct of vendors, (2) conduct of license holders within the facility, (3) the operation of private events closed to the public, and (4) the maintenance of a common seating area.

We expect additional conversations regarding this proposal, and we look forward to answering questions and addressing concerns with the legislation. We welcome feedback from all residents, keeping in mind that the end of session is three weeks away so time is very short. **A hearing on this amendment will be held in front of the Baltimore City Delegation at 9:00 a.m. on Friday, March 31, 2017.**

We appreciate the engagement of the community in pursuing the goal of a revitalized Cross Street Market, and we look forward to hearing your comments.

Sincerely,



Bill Ferguson
Senator, District 46



Luke Clippinger
Delegate, District 46



Brooke Lierman
Delegate, District 46



Robbyn Lewis
Delegate, District 46