

Community Entertainment Districts

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1. What is a Community Entertainment District?

1. What is a Community Entertainment District?

- **Ohio Revised Code Definition**

- A bounded area that includes or will include a combination of entertainment, retail, educational, sporting, social, cultural, or arts establishments within close proximity to some or all of the following types of establishments within the district, or other types of establishments similar to these: (1) Hotels; (2) Restaurants; (3) Retail sales establishments; (4) Enclosed shopping centers; (5) Museums; (6) Performing arts theaters; (7) Motion picture theaters; (8) Night clubs; (9) Convention facilities; (10) Sports facilities; (11) Entertainment facilities or complexes; (12) Any combination of the establishments described in division (A)(1) to (11) of this section that provide similar services to the community.



1. What is a Community Entertainment District?

Existing CEDs

- Currently 69 CEDs in the State of Ohio
- Franklin County has 10 CEDs
 - Easton has 3 CEDs
 - Arena District
 - Lane Avenue
 - Shops at Worthington Place
 - Kingsdale
 - Brewers Yard
 - Grandview
 - Continent



2. Why Form a CED?

2. Why Form a CED?

-Ohio's Liquor Permit Quota System

- Ohio law limits the number of liquor permits allowed within a jurisdiction (by type of permit) based upon population of the jurisdiction.
- The type of permit most often used by full service restaurants that wish to serve beer, wine and mixed drinks, is known as a D-5 permit.
- In Dublin, the "Quota" for D-5 permits is 1 per 2,000 residents, and therefore the Ohio Department of Liquor Control (ODLC) has established Dublin's current D-5 permit quota as 23 permits.
- The ODLC further establishes that 22 of these D-5 permits have currently been issued within Dublin, with 4 D-5 permit applications pending.
- As the supply of such permits becomes constrained, the cost and availability of permits can become an impediment to the establishment of new restaurants.
- The establishment of a CED creates a new, geographically limited allocation of permits that are, in most ways, comparable to the D-5 permit



2. Why Form a CED

-Facilitating Mixed-use environments

- The mixing of various uses, as established within the ORC definition of a CED, is very consistent with what is typically encouraged for the creation of vibrant, mixed-use environments.
- The statutory provisions recognize the important role played by D-5 type restaurants in helping to activate and draw customers to these mixed use environments and thereby contributing to their economic success.
- Plans (and current developments) for several areas within the Bridge Street District contemplate mixed-use environments very similar to those laid out in the CED statutes.
- The CED statutes have effectively created a new quota (in addition to the community's normal allocation) to help facilitate the development or revitalization of such mixed-use areas.



3. Key Provisions for Community Entertainment Districts

3. Key Provisions for CEDs

Liquor Permits

- A CED allows for an additional pool of liquor permits to be issued within the defined CED area.
- A CED must consist of a minimum area of 20 acres.
- A CED may have up to one permit for every 5 acres, up to a maximum of 15 liquor permits (thus, no additional permits are provided once the CED area exceeds 75 acres).
- Each new CED needs to have a planned minimum development investment threshold of \$50 million (can include public and private projects).
- Unlike D-5 permits, these CED enabled permits may be transferred only within the CED boundaries.



3. Key Provisions for CEDs

Liquor Permits

- The CED liquor permits are identified as D-5j permits, and can be obtained at a significantly lower price than traditional liquor permits (\$2,344 vs. market price that could be \$30,000).
- A D-5j permit holder may exercise the same privileges and is under the same restrictions (*e.g.*, hours of operation, etc.) as the holder of a D-5 permit.
- D-5 permits are for restaurants that serve food and allow spiritous liquor for on premises consumptions only, and beer, wine, and mixed beverages for on premises or off premises consumption in original sealed containers, until 2:30 a.m.



3. Key Provisions for CEDs

Liquor Permits

- If existing restaurants in possession of traditional D-5 permits are included within the new CED area, those establishments have the option to sell their higher priced, more mobile D-5 permit and replace them with the lower cost D-5j permits enabled by the CED (of course, such business owners would need to work with their own legal and financial advisors to determine what actions are in their best interest).
- The new allocation of D-5j permits created by forming a CED does not impact the City's normal quota based allocation of D-5 permits, and the new D-5j permits remain with that specific CED for the benefit of the CED into the future.



Key Provisions for CEDs

Creation of CED & Regulations of Liquor Permits

- The City controls the creation of a CED, but the Ohio Division of Liquor Control still controls the issuance of the liquor permits within the CED.
- In order for the Division to issue a D-5j liquor permit within a CED located in Dublin, R.C. 4303.181(J)(2)(b) requires that “[n]ot less than fifty million dollars will be invested in development and construction in the community entertainment district’s area located in the municipal corporation.”



4. Application & Approval Process for CEDs

Section 4301.80 of the Ohio Revised Code outlines the CED process

4. Application & Approval Process for CEDs

R.C. 4301.80(B)

- Any owner of property in the City – including the City itself – may file an application to create a CED. The application must contain the following information, at a minimum:
- (1) Applicant's name and address; (2) detailed map of the proposed CED; (3) general statement of the nature & type of proposed establishments in CED; (4) timeframe for completing development of these establishments; (5) evidence that land use within the proposed CED are consistent with City's comprehensive plan; (6) certificate from surveyor/engineer that CED contains at least 20 contiguous acres; (7) a handling and processing fee



4. Application & Approval Process for CEDs

R.C. 4301.80(C)

- Application must be addressed/submitted to the Mayor.
- Within 30 days, the Mayor will make a recommendation to City Council.
- City Council, within 30 days of receipt of the Mayor's recommendation, must notify the public of the application (advertising for 2 weeks in newspaper of general circulation).
- Within 75 days after the date the application is filed with the mayor, City Council must approve or disapprove the application by ordinance or resolution.
- The Administration has prepared an application which complies with the statutory requirements and provides Dublin with other relevant information.



5. What a CED is not

5. What a CED is not -Open Container Law

Sub. H.B. 47

- Sub. H.B. 47 authorizes municipal corporations to create outdoor refreshment areas (ORAs) – areas in which individuals are permitted to carry open containers of alcohol.
- The ORA law is separate and distinct from the CED law.
- Dublin’s proposed creation of CEDs does not permit an individual to carry open containers of beer or intoxicating liquor.



5. What a CED is not

-State and Local oversight

- The CED designation has no effect other than to create the new pool of restaurant liquor permits within that CED area.
- The CED does not in any fashion limit the City's normal land use, zoning and other regulatory oversights.
- The CED does not exempt such establishments from any of the other state requirements and operational controls that apply to liquor serving establishments.



Conclusion & Recommendation

Conclusion

- It is relatively simple for a city to form a CED, if the planned types of mixed uses and the minimum investment thresholds are being achieved.
- Formation of one or more CED's in the Bridge Street District (BSD) is consistent with the City's vision for creating a vibrant mixed-use environment and will help ensure that there is a readily available supply of such permits for the many restaurants planning to locate in the District.
- A CED in the City will permit one D-5j liquor permit for every 5 acres, with a maximum of 15 permits per CED.
- A CED does not allow open containers of beer and liquors within in the CED.
- The CED designation will not impact the City's normal zoning and regulatory land use controls; it simply improves the availability and cost of liquor permits.
- Establishments within the CEDs with pre-existing conventional liquor permits would be able to sell those permits and procure a new D-5j permit. As such pre-existing D-5 permits are "traded", the supply of D-5's available to the portions of Dublin outside a CED will be improved.
- The State of Ohio processes these D-5j permits on a first come first serve basis.



Recommendation

- Staff requests approval and/or direction from City Council to move forward with assessing and proposing appropriate locations for potential CED boundaries and with the preparation of applications for the creation of those CEDs.
- As part of Staff's efforts and Council's direction, Staff will meet and communicate with interested community members to seek input and provide information regarding this initiative. To start, two community meetings will be held at City Hall:
 - Thursday evening, February 11 from 7:00 to 8:00 p.m.
 - Tuesday morning, February 16 from 9:00 to 10:00 a.m.
- Once Staff receives Council's approval, it will prepare a resolution authorizing the creation of the CEDs for Council's consideration.

