



# CITY AND COUNTY OF DENVER

DEPARTMENT OF EXCISE AND LICENSES

OFFICE OF DIRECTOR  
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## 500 Foot Rule Sixth Month Report

In August 2012, the Department of Excise and Licenses adopted a new rule concerning the distance restriction between hotel and restaurant liquor licenses and schools. The rule allows hotel and restaurant liquor license applicants to apply for a license within 500 feet of a school. Six months after its adoption, it is now appropriate to review the decision-making process and the impact of the new rule.

### Background

In late 2011, the Department was approached by citizens and community groups about changing the “500 Foot Rule” in the City of Denver. Under Colorado state law, retail liquor licenses may not be issued within 500 feet of a school. The local licensing authority cannot permit waivers or case-by-case exceptions to the distance restriction. The law provides, however, that the local authority may eliminate the distance restriction for an entire class of license, or may eliminate one or more type of schools or campuses from its applicability. For example, Denver previously eliminated the applicability of the 500 foot restriction to university campuses.

Here, the proposal was to eliminate the 500 foot distance restriction for Hotel and Restaurant liquor licenses only. Hotel and Restaurant licenses are issued only to “bona fide restaurants,” and these establishments, *inter alia*, must maintain a certain percentage of gross income from the sale of meals. This license differs from a liquor store license, which is for the sale of alcohol for off-premises consumption, and from a tavern license, which is for a “bar” that does not have strict food service requirements. The rule did not change the existing distance restrictions around liquor stores, taverns or any other class of liquor license.

### Public Input & Rulemaking Process

For several months, Denver residents, neighborhood groups and stakeholders provided informal comments and input regarding the proposal. Following this initial feedback, a formal public hearing on the rule was set for July 26, 2012. Notice of the hearing was published, posted and distributed to Denver’s Registered Neighborhood Organizations and other stakeholders. The overwhelming majority of the pre-hearing input and much of the live testimony at the July 26th hearing was in support of the rule. There were legitimate concerns raised, however, by some of those in opposition. The primary concern was that an applicant

may be granted a hotel and restaurant license, within the proposed rule, but that it may end up acting more like a tavern, outside the proposed rule.

After carefully considering all of the comments, input and testimony, before, during and after the hearing, the balance heavily favored adoption of the rule. Therefore, the rule was adopted on August 30, 2012, in a written decision by the Director. To address legitimate concerns, the Department also created the following informal special protocols for Hotel and Restaurant liquor license applicants within 500 feet of a school:

- When applying to renew its annual license, licensee shall file an affidavit of compliance with the Hotel & Restaurant license requirements under the state liquor code, C.R.S. Section 12-47-411.
- No cabaret licenses shall be issued without agreement from any school within 500 feet.
- The Department of Excise and Licenses shall prioritize and apply special scrutiny to any complaints or violations related to licensees within 500 feet of a school.

### **Impact of the Rule – Six Months Later**

As of February 2013, six months after the rule went into effect, the Department has received five applications for hotel and restaurant licenses within 500 feet of a school. Four of the licenses were approved by Excise and Licenses, and one is currently in the application process. One of the approved applications included a cabaret license, with the agreement of the principal of the nearby high school.

Since the adoption of the rule and issuance of the first few licenses, the Department has received zero complaints regarding the establishments, and has received no reports of increased crime or disturbances in those areas. Excises and Licenses created a tracking system to monitor the “500 Foot Rule” applications. Based on input from business owners and other stakeholders, the Department anticipates receiving several more applications in 2013.

### **Media & Communications**

Denver Business Journal, *Denver restaurants anticipate growth from change in liquor laws*, <http://www.bizjournals.com/denver/print-edition/2012/11/30/denver-restaurants-anticipate-growth.html>

Westword, *For its new rule on liquor licenses near schools, Denver deserves extra credit*, <http://www.westword.com/2012-09-13/news/liquor-licenses-near-schools>

Westword, *Mici Handcrafted Italian will open a third spot in Stapleton -- with wine, with any luck*, [http://blogs.westword.com/cafesociety/2012/09/\\_follow\\_cafewestword.php](http://blogs.westword.com/cafesociety/2012/09/_follow_cafewestword.php)

Westword, *Gather's liquor license is a lesson in smart city planning*, [http://blogs.westword.com/cafesociety/2013/01/gather\\_denver\\_department\\_of\\_excise\\_and\\_licenses.php](http://blogs.westword.com/cafesociety/2013/01/gather_denver_department_of_excise_and_licenses.php)