

TOWN OF WEAVERVILLE

AGENDA

**Weaverville Community Room at Town Hall
30 South Main Street, Weaverville, NC 28787**

**July 18, 2023 at 6:00 pm
Town Council Workshop**

**Remote Access Option for General Public via Zoom (unless technical difficulties): <https://us02web.zoom.us/j/85948891960>;
Meeting ID: 859 4889 1960**

<i>Agenda Item</i>	<i>Presenter</i>
1. Call to Order	Mayor Fitzsimmons
2. Active Weaverville Committee	Mayor Fitzsimmons
3. Future of Fireworks for Town Events	Mayor Fitzsimmons Town Manager Coffey
4. Food Trucks at Special Events Attachments: Town Code Sec. 20-3315 Mobile Food Vendors Town Code 16-6 Special Events	Mayor Fitzsimmons Town Manager Coffey
5. Social Districts Attachment: N.C. Updated Law on Social Districts	Mayor Fitzsimmons Town Attorney Jackson
6. Recreation Complex Bids	Town Attorney Jackson Public Works Dir. Pennell
7. Adjournment	Mayor Fitzsimmons

Sec. 20-3315. - Mobile food vendors.

- (a) No waste, wastewater or grease shall be distributed into the sanitary sewer system, stormwater system, or other public spaces.
- (b) Mobile food vendors:
 - (1) Shall be situated at least ten feet from all property lines, excepting those separating contiguous parcels under common ownership, and
 - (2) Shall not encroach onto any street or sidewalk, and
 - (3) Shall not obstruct any loading zone or parking space required by this chapter, and
 - (4) Shall not create a sight line obstruction.
- (c) Mobile food vendors shall be located at least 150 feet from any primary residential structure located within the R-1, R-2, or R-3 district.
- (d) Mobile food vendors shall not be located within ten feet of any fire hydrant.
- (e) Hours on site shall be consistent with the hours of operation of the principal building or use of the property on which the mobile food vendor is located but in no instance shall such hours exceed 7:00 a.m. to 11:00 p.m.
- (f) Each mobile food vendor shall supply at least one receptacle for waste which must be emptied regularly and removed upon conclusion of hours of operation. Town waste receptacles shall not be used.
- (g) In addition to signage displayed directly on the vehicle, one sign attached to the ground, or menu board sign, which shall not exceed four feet in height or eight square feet of surface area, is permitted. Such a sign shall be placed within ten feet of the mobile food unit or vehicle and shall only be displayed during hours of operation.
- (h) The sale of alcoholic beverages shall not be permitted by any mobile food vendor absent the issuance of the requisite special event permit.
- (i) Mobile food vendors are only permitted on public property, including but not limited to any real property, parking spot or lot, or road or right-of-way under municipal or state control and ownership, in conjunction with the issuance of a special event permit. Mobile food vendors operating in conjunction with a special event permit issued by the town are not subject to these regulations but are governed by the conditions placed upon the permit for approval.
- (j) Mobile food vendors are also subject to standards of the Buncombe County Health Department as it relates to the permitting, inspection and grading of all regulated food service establishments.
- (k) In no instance shall a mobile food vendor be permitted to be the primary or principal use of a parcel of land.
- (l) A zoning permit is required for each parcel which proposes to establish a mobile food vendor.

The fee for said permit may be found within the schedule of fees.

(Ord. of 5-24-2021(1), § 5)

Sec. 16-6. - Special events.

- (a) *Application of regulations.* This section shall apply to all street fairs, festivals, carnivals, parades, marches, rallies, demonstrations, and other activities or public events that require the temporary closing or obstruction of or that substantially hinders or prevents the normal flow of vehicular or pedestrian traffic on all or a portion of any town owned property, street, or other public right-of-way. In addition, this section shall apply to any use of property owned, leased or controlled by the town that involves the possession, consumption, sale or service of alcoholic beverages. Any such activity covered by this chapter shall hereafter be referred to as a "special event."
- (b) *Permit required.* No special event is permitted on any town owned property, street or other public right-of-way of the town unless a permit has been issued by the town manager; however, nothing in this section shall be construed to prevent the peaceful assembly of any group for orderly expression or communication between those assembled.
- (1) No parade of vehicles or march of pedestrians or animals or combination thereof upon the streets or sidewalks of the town shall be allowed except as approved by the town manager. All holders of permits granted and approved by the town manager pursuant to this section shall indemnify and hold harmless the town in all respects against any and all claims and liabilities arising out of or related to the issuance of a special event permit.
 - (2) Any person denied a special event permit by the town manager may appeal to the town council at the next regularly scheduled meeting.
 - (3) Special event permits are not assignable or transferable.
- (c) *Permit application.* Applications for a special event permit authorized by this section that require the closure of a public street, sidewalk or other town facility shall be submitted to the town manager not less than 30 days and not more than 90 days before the parade or event is proposed to commence, excluding recognized holidays, on a form provided by the office of the town manager and shall contain the following information:
- (1) Name, address, and telephone number of the person, organization or entity seeking to conduct or sponsor the event;
 - (2) Name, address, and telephone number of the individual contact person in charge of the event;
 - (3) The proposed date and time period when the event will be conducted;
 - (4) The estimated number of people expected to attend the event;
 - (5) Sufficient proof of liability insurance in an amount not less than \$1 million;
 - (6) Any other information determined by the town manager to be necessary to ensure compliance with these provisions;
 - (7) A sketch map showing:

- i. The area where the event is to take place;
 - ii. Names of any streets to be closed or obstructed;
 - iii. Location of any barriers or traffic control devices that will be erected;
 - iv. Location of any concession stand, booth, street vendor, mobile food vendor, signs or other temporary structures or facilities; and
 - v. Location of any proposed fences, stands, platforms, benches or bleachers.
- (8) The number and type of animals included as part of the event, if applicable. Approval of animals involved in any special event is subject to subsection (m) below, and the animals' location must be specified on the sketch map.
- (9) The number and type of street vendors, including but not limited to mobile food vendors, if applicable. Approval of mobile food vendors involved in any special event is subject to subsection (n) below. All street vendors, including but not limited to mobile food vendors, must be shown on the sketch map.
- (10) The permits and operational plan for the sale and consumption of alcoholic beverages, if applicable. Approval of the sale and/or consumption of alcoholic beverages at a special event is subject to subsection (o) below, and the designated areas for the sale and/or consumption of alcoholic beverages must be shown on the sketch map.

Applications for a special event permit as authorized by this section not requiring the closure of a public street or sidewalk shall be submitted to the town manager not less than three business days before the parade or event is proposed to commence, excluding recognized holidays, on a form provided by the office of the town manager and shall contain the items listed above with any item not applicable marked as such.

Applications must be accompanied by an application fee, which shall be set forth in the Schedule of Taxes, Fees and Charges of the annually adopted Budget Ordinance for the Town of Weaverville, before being reviewed and considered.

- (d) *Permit revocation.* Upon violation of the terms of a permit issued under this section by the applicant or participants the town manager and/or the chief of police or his designee is authorized to revoke the permit and direct those participating to disperse.
- (e) *Staff review.* Upon receipt of the permit application, it shall be circulated to the chief of police, fire chief, public works director and other appropriate persons for their comment. The town manager may require a conference on the application between the applicant and one or more department heads.
- (f) *Insurance requirement.* The town manager shall require as a condition precedent or subsequent to the issuance of the permit that the applicant obtain a comprehensive general liability insurance policy providing coverage that includes the entire area described in the permit for events requiring the closure of a public street, sidewalk or town facility with a coverage amount of

not less than \$1 million. If such a policy is required, under the provisions of this section, the town shall be named as an additional insured on the policy. A certificate of insurance shall be provided to the town as proof of coverage.

(g) *Fees; costs incurred by the town.* If the town is requested to provide extraordinary services or equipment or the town manager determines that extraordinary services or equipment for reasons related to protection of the public health and safety, he/she may require the applicant to pay to the town a fee sufficient to reimburse it for the costs of any extraordinary services or equipment provided to the event unless sufficient funding has been included in the town budget as adopted by the town council.

(h) *Standards for issuance of permit.*

(1) The town manager shall issue the permit authorizing the special event unless it is found that:

- i. Insufficient funding and/or resources necessary to provide extraordinary services or equipment for the event are not available; or
- ii. The event will interfere with the movement of emergency vehicles to such an extent that adequate police, fire, or other emergency services cannot be provided throughout the town; or
- iii. The applicant has failed to obtain any necessary permits or licenses; or
- iv. The applicant is in violation of any town ordinance; or
- v. The applicant fails to obtain liability coverage and shall proof of said insurance as required by the town; or
- vi. The event will create a severe hardship on persons occupying property adjacent to the site, location, or route of the event as a result of the denial of access to property; or
- vii. The event, if held at the time or at the location or along the route proposed will cause an unreasonable and unwarranted disruption to vehicular or pedestrian traffic; or
- viii. The applicant has failed to comply with any of the provisions of the special events ordinance, including but not limited to payment of any required fees and costs;
- ix. A special events permit has previously been applied for or issued for substantially the same location and time requested in the application.

(2) In considering the matters listed above and the question of whether or not to issue the permit, the public health and safety shall be given paramount importance.

(i) *Conditions upon issuance of permit.* If a permit is issued, the town manager may attach any reasonable conditions that serve to promote the protection of the public safety and health. Any event held pursuant to a permit issued under this section shall be conducted within the applicable terms including any attached conditions.

(j)

Right of appeal. If the town manager denies or revokes a special event permit, or imposes conditions that the applicant finds unreasonable, this action shall be final unless the applicant or permit holder files, within three business days, a written appeal with the town clerk. Such written appeal will be placed for consideration by town council at its next regularly scheduled meeting. The town council shall review the matter and its decision shall be final.

(k) *Street closing.*

- (1) The town manager is authorized to permit the temporary closing of a street or other public right-of-way except as otherwise provided for hereinbelow if the provisions of the section are adequately complied with. Any temporary closing of a street or part thereof owned and/or maintained by the State of North Carolina shall require concurrence by the NC Department of Transportation.

The town manager may only permit the temporary closing of any portion of Main Street, Lakeshore Drive, and/or Merrimon Avenue, or portions thereof, for town recognized special events. An event shall be considered to be town recognized upon the adoption of a resolution by town council making such a designation.

- (2) The town clerk shall, by any adequate means, notify persons occupying property abutting the street where the event is to take place as soon as possible once a permit is issued.

- (l) *Temporary parking restrictions.* The chief of police, or his duly appointed representative, is authorized to prohibit, on a temporary basis, the parking of vehicles under the following circumstances: Along permitted parade routes or on streets closed pursuant to the issuance of a special events permit for a period of time to be determined by the town manager. The chief of police, or his duly appointed representative is authorized to temporarily allow parking in areas where parking is normally prohibited during immediately proceeding, during and immediately after permitted special events.

- (m) *Permit for special events involving animals.* It shall be unlawful for any person to have or keep any animal at any event requiring the issuance of a special event permit except as otherwise provided within this section. No special event in which animals are involved shall be conducted without a special event permit from the town manager. The town manager shall require a bond in the amount of \$50.00 for events involving five or less or \$100.00 for events involving more than five animals, which will provide that the person obtaining the special event permit will be responsible for cleaning the town streets or property after the parade, exhibition, demonstration or experiment. All holders or special events permit granted and approved by the town manager pursuant to this section shall indemnify and hold harmless the town in all respects against any and all claims and liabilities arising out of or related to the behavior of such animals or issuance of such a special permit.

(n)

Permit for special events involving street vendors. If a special event is to involve street vendors then a list of the vendors and their locations must be provided. If the special event involves mobile food vendors then the permit shall require the following: (1) no waste, wastewater or grease shall be distributed into the sanitary sewer system, stormwater system or dumped in any place not designed for that purpose, (2) mobile food vendors shall not be located within ten feet of any fire hydrant, and (3) each mobile food vendor shall supply at least one trash receptacle for waste.

(o) *Permit for special events involving the sale and/or consumption of alcoholic beverages.* It shall be unlawful for any person to possess, consume, sell, or serve alcoholic beverages of any kind, or to display alcoholic beverages if the container has been opened or the seal broken, on any property owned, leased or controlled by the town, and any public street, alley, sidewalk or parking lot within the town limits, whether the area is open to vehicular traffic or has been closed to vehicular traffic in connection with a special event, unless a valid permit is obtained pursuant to this section:

- (1) The town manager (or designee thereof, hereafter "administrator") is hereby authorized to issue a special permit that would allow the sale and consumption of alcoholic beverages during special events, which have been permitted pursuant section 16-6 of the town code.
- (2) This permit shall only be valid for a designated area.
- (3) The sales and consumption of wine and beer shall be limited to 12:00 p.m. to 11 p.m., during the permitted timeframe of the special event.
- (4) The special event permit holder shall be solely responsible for assuring compliance with all applicable laws of the Town of Weaverville and the State of North Carolina pertaining to the sales and consumption of alcoholic beverages. Permit holders whodemonstrate failure to assure compliance with such laws shall be subject to immediate permit revocation, and may be subject to such civil and criminal penalties as are set forth in Weaverville Town Code and the North Carolina General Statutes. The administrator shall have the discretion to withhold approval of permits for the sales and consumption of alcohol associated with future special events, when the permit holder has failed to demonstrate compliance with such law in the operation of previous events.
- (5) Permit holders shall submit an operational plan demonstrating the procedures and practices that will be employed to assure such compliance with all applicable regulations as set forth in Weaverville Town Code and the North Carolina General Statutes. Such plan shall specifically address the prevention of the sales of alcohol to minors, and the methods that will be employed to contain the consumption of alcohol within the designated area.
- (6) In the issuance of a special event permit, the administrator shall have the authority to impose reasonable conditions to protect the public health, safety and welfare, including the following:
 - i. Demonstration that all applicable state permits have been issued for the special event;

- ii. Delivery to the administrator of an insurance policy in the minimum amount of \$1,000,000 showing coverage for comprehensive general liability, liquor liability, and workers compensation, and which names the town as an additional insured for the comprehensive general liability and the liquor liability, with said policy to remain in effect for the entire duration of the special event;
 - iii. Hiring of an off-duty police officer or officers to oversee alcohol sales at the special event;
 - iv. Payment of a fee in accordance with the town's adopted fee schedule;
- (7) The chief of police, police department event commander on-duty, and the administrator shall have authority to immediately cause alcohol sales and consumption activities to cease and desist upon a determination that the permit holder has failed to maintain compliance with the terms and conditions of the permit or the requirements of Weaverville Town Code, or that continuation of alcohol sales and consumption at the event would pose an immediate threat to the public health, safety and welfare.

(Ord. of 2-27-2017(1), § 2)



North Carolina's Updated Laws on Social Districts

In September 2021, Governor Roy Cooper signed into law House Bill 890 (HB 890) – ABC Omnibus Legislation – which passed both the House and Senate with bi-partisan support. Included in HB 890 was a provision allowing local governments to create social districts in North Carolina. The North Carolina Retail Merchants Association (NCRMA) was the major interest group pushing for the passage of this important legislation to drive foot traffic to downtown businesses and level the playing field for brick-and-mortar businesses with ABC permits. In a little less than a year since the enactment of HB 890, nearly twenty municipalities have successfully created social districts in towns as small as Norwood to cities as big as Greensboro. Numerous other cities are investigating the creation of social districts based on how successful the social districts have become with customers and businesses alike.

The passage of legislation creating social districts also resulted in some legal questions posed to the North Carolina Alcoholic Control Commission, Alcohol Law Enforcement, and local city attorneys.

In June 2022, House Bill 211 (HB 211) – Social District/Common Area Clarifications - passed both the House and Senate with bi-partisan support and was subsequently signed into law by the Governor on July 7, 2022. This legislation provides some much-needed clarity to the original social district legislation and includes more detail on the inter-workings of social districts.

The sections of the North Carolina General Statutes regulating social districts contained in HB 890 were repealed and replaced with a brand-new section of Chapter 18B to regulate social districts. However, any social districts created in 2021 remain in place. The information detailed below provides context on North Carolina's initial law allowing for the creation of social districts and clarifications to this law established via the recent passage of HB 211.

What is a Social District?

A social district is a defined area in which a person may consume alcoholic beverages sold by an ABC permittee located within the social district. A social district may include both indoor and outdoor areas of businesses within or contiguous to the defined area during the days and hours set by the local government in creating the social district. A social district may include privately owned property, including permittees and non-permittee businesses, and multi-tenant establishments, as well as public streets, crosswalks, or parking areas whether the streets or parking areas are closed to vehicle traffic.

This revised definition clears up any confusion as to whether a social district can cross a public street or road and whether a social district may be created in a privately owned area of a local government jurisdiction, such as a shopping center. It also clarifies that a social district may include both indoor and outdoor areas of businesses within, or contiguous to, the defined area during the days and hours set by the local government. It should be noted that it is the sole decision of a business located within the geographic area of a social district whether to participate in the activities of the social district.

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Who Can Designate a Social District?

Neither HB 890 nor HB 211 created a statewide social district, but instead allows cities and counties to “opt-in” to social districts via an ordinance.

- A city may adopt an ordinance designating an area within the municipal limits as a social district under G.S. 160A-205.4.
- A county may adopt an ordinance designating a social district from an area located outside a municipal boundary under G.S. 153A-145.9.
- Once created, a local government may also eliminate a social district by ordinance.
- HB 211 did clarify that a local government may create more than one social district within its jurisdiction.

What are the Requirements for a City or County to Create a Social District?

- Social districts must be clearly defined, and signage must be posted in conspicuous locations indicating:
 - The geographic area included in the social district.
 - The days and hours during which alcoholic beverages can be consumed in the social district.
 - The telephone number for the ALE Division and Local Law Enforcement with jurisdiction over the social district.
 - A clear statement that an alcoholic beverage purchased for consumption in a social district shall:
 - only be consumed within the social district and
 - be disposed of before the person possessing the alcoholic beverage exits the social district unless the person is reentering the licensed ABC premises where the alcoholic beverage was purchased.
- Social districts are only allowed to operate during hours defined under G.S. 18B-1004:
 - From 7:00 am until 2:00 am Monday – Saturday; and
 - From Noon until 2:00 am on Sunday
 - If the local government has allowed for earlier Sunday Sales, a social district may operate beginning at 10:00 am on Sunday
- A local government creating a social district is required to establish management and maintenance plans for the social district and post these plans, along with a drawing of the boundaries and the applicable days and hours of the social district, on the local government’s website. A social district must be maintained in a manner that protects the health and safety of the general public.
 - Under HB 211, a local government is now authorized to delegate the management and maintenance of the social district to a private entity, such as a downtown development organization, local chamber of commerce or owner of a shopping center.
 - A local government may also establish guidelines in their social district allowing for suspension of regular days and hours of alcohol consumption in all or part of a social district during events requiring special events ABC permits.
- Before a social district can become operational, a local government must submit to the North Carolina Alcoholic Beverage Control (ABC) Commission a detailed map of the social district with the boundaries clearly marked and the days and hours during which alcoholic beverages can be consumed (G.S. 18B-904.1(c)(3)).
 - The ABC Commission has created a specific form for a local government to submit this documentation and can be found here:
 - [NC ABC Commission Social District Registration Link](#)
 - A local government is only required to submit a revised map to the ABC Commission if the local government changes the geographic area of a social district. It should be noted that a local government is not required to identify the businesses or ABC permittees located within the social district or if there is a change in businesses located within the social districts that are participating in the social district.

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- A local government is required to develop or approve uniform signs indicating that a non-permittee business is included in the social district and allows alcoholic beverages on its premises when the social district is active and distribute the signs to non-permittee businesses that are included in the social district.
 - The signs may be in the form of a sticker, placard, or other format as deemed appropriate by the local government.
 - A non-permittee participating in the social district and allowing alcohol on their premises is required to always display the uniform sign during the times when the social district is active.
 - A customer may not bring an alcoholic beverage into a non-permittee business that does not display the uniform sign.
 - A local government may now delegate the designing of signage, cups, and window clings to a private entity such as a downtown development authority, local chamber or property management group with the local government maintaining ultimate decision-making on these items.

Who Can Sell Alcohol in a Social District?

A business holding any of the following ABC permits may sell alcohol to be consumed in a social district:

- 1) An on-premises malt beverage permit issued pursuant to G.S. 18B-1001(1).
- 2) An on-premises unfortified wine permit issued pursuant to G.S. 18B-1001(3).
- 3) An on-premises fortified wine permit issued pursuant to G.S. 18B-1001(5).
- 4) A mixed beverages permit issued pursuant to G.S. 18B-1001(10).
- 5) A distillery permit issued pursuant to G.S. 18B-1001(5).
- 6) A wine shop permittee issued pursuant to G.S. 18B-1001(16).

Special one-time permits: The ABC Commission may issue special one-time permits pursuant to G.S. 18B-1002(a)(2) or (a)(5) for events occurring on premises located partially or entirely within the boundaries of a social district. This was an important clarification to the social district law contained in HB 211 because some local governments questioned whether they could create social district in an area where the local government conducted annual festivals where alcohol was sold.

What Additional Rules Do ABC Permittees Have to Follow to Sell Alcohol Within a Social District?

An ABC permittee must be located in or contiguous to the social district in which it is selling alcohol to be consumed.

The ABC permittee is only allowed to sell and serve alcoholic beverages on its licensed premises. In other words, the ABC permittee cannot sell alcoholic beverages in the street or down the street from its licensed premises just because the ABC permittee is located in, or contiguous to a social district.

Alcoholic beverages that are being sold to be consumed in a social district can only be sold in a container that meets all the following requirements:

- 1) The container clearly identifies the ABC permittee from which the alcoholic beverage was purchased.
- 2) The container clearly displays a logo or some other mark that is unique to the social district in which it will be consumed.
- 3) The container is not made of glass.
- 4) The container displays, in no less than 12-point font, the statement, “Drink Responsibly – Be 21.”
- 5) The container cannot hold more than sixteen fluid ounces.

A local government may now create its social district ordinance so an ABC permittee or non-permittee business may allow a customer to possess and consume on the business's premises alcoholic beverages purchased from any ABC permittee located in or contiguous to the social district.

- This is a major change from HB 890 enacted in 2021 which prohibited a customer who had purchased an alcoholic beverage from one ABC permittee to enter the premises of another ABC permittee located in the social district.

In summary, an ABC permittee in a social district is no longer prohibited from allowing a patron to enter their premises with an alcoholic beverage purchased at a different ABC permittee located within the social district if the local government chooses to write its social district ordinance to allow for this activity.

Another major policy change contained in HB 211 allows ABC permittee and non-permittee businesses in multi-tenant establishments to be included and participate in a social district. This allows for a social district to be created in an area that is privately-owned such as in a mixed-used shopping center which contains residential units as well as businesses that sell or do not sell alcohol.

If I am a Business in the Social District, but I Do Not Want Customers Coming into My Store with Alcoholic Beverages, Do I Have to Participate?

No, any business without an ABC permit located in, or contiguous to, the designated social district has the option to participate, or not, in allowing customers with beverages to enter their premises. For example, Printers' Books may remain open during designated social district hours but decide to post a sign that alcoholic beverages (or any beverages) are not allowed in their store even if they are located inside of the social district.

Likewise, a business with an ABC permit located in, or contiguous to, the social district may decide to participate or not participate in allowing customers to leave their premises with an open container.

HB 211 contained several clarifying changes concerning this question, including:

- A participating non-permittee business is now required to always display the uniform sign during the times when the social district is active as to whether the business allows for patrons to enter their business with alcohol.
- All non-permittee businesses that are part of a social district and allow customers to bring alcoholic beverages onto their premises are required to clearly post signage on any exits that do not open to the social district indicating that alcoholic beverages may not be taken past that point.
 - As example, if a non-ABC permittee has two points of ingress and egress with one point entering and exiting into the social district and one entering and exiting into an area not in the defined social district the business would have to post signage warning their customers not to exit the business with alcohol into the area not contained in the social district. This is to prevent a patron from unknowingly possessing an open container of alcohol outside of the social district.
- During the days and hours when the social district is active, a non-permittee business that allows customers to bring alcoholic beverages onto its premises is required to allow law enforcement officers access to the areas of the premises accessible by customers.
- In a major policy change from HB 890, HB 211 allows an ABC permittee or a non-permittee to possess and consume on the business' premises alcoholic beverages purchased from any permittee located in the social district. HB 890 previously prohibited a local government from creating a social district that allowed an ABC permittee to allow a customer to bring an alcoholic beverage from a different ABC permittee onto their premises. G.S. 18B-300.1(f) allows an ABC permittee to allow a person to bring an alcoholic beverage purchased at a different ABC permittee onto their premises. Again, while this activity is allowed, the decision on whether to allow for this activity within a social district is up to the local government and how the local government determines to write their ordinance creating a social district.

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What Requirements Do Customers Have to Follow Within a Social District?

A person can only possess and consume alcoholic beverages purchased from an ABC permittee located in, or contiguous to, the social district. A person cannot bring their own personal beer or wine into the social district for consumption.

A person, including a customer who is in possession of an open container of an alcoholic beverage, may possess alcoholic beverages in closed containers in a social district to the extent allowed by law (ex: a person can buy a beer to drink in the required social district cup and take a four-pack to consume at home from a bottle shop).

Any alcoholic beverages consumed in the social district must be consumed from the required container described above. In other words, a person cannot pour their wine or beer into a personal solo cup or any type of container other than the one meeting all the requirements for social districts.

Alcoholic beverages shall only be possessed and consumed in the social district during the days and hours set by the city or county. If a city designates an area as a social district from 9:00 pm until midnight on Friday and Saturday, a person cannot consume alcohol in the social district at 9:00 pm on Wednesday.

The sale and delivery of alcohol in a social district is subject to the same limitations for sales and deliveries of alcohol in North Carolina:

- No more than two malt beverages or wine drinks at one time to a single patron
- No more than one mixed beverage or spiritous liquor drink at one time to a single patron

A person is required to dispose of any alcoholic beverage in the person's possession prior to exiting the social district. In other words, if a person is leaving the social district area, they must pour out or throw away their alcohol.

Can Common Area Entertainment (CAE) Permits and Social Districts Co-Exist?

In 2019, prior to the enactment of social district authorizing legislation, the General Assembly passed SB 290 – ABC Regulatory Reform Bill – that created a Common Area Entertainment (CAE) Permit. While individual tenants in multi-tenant establishments, like food halls, were already allowed to serve alcohol within their defined premises – the multi-tenant establishment did not have its own permit to allow customers to flow within the “common area” itself.

This new CAE permit allowed the property owner or property owner's association of a “multi-tenant establishment” with two or more alcohol-permitted businesses to have a designated consumption area on the property where individuals could purchase alcohol at establishments and take the open containers of this alcohol (including beer, wine, and spirituous liquor) in specially-designated cups off the designated premises of those businesses into a designated consumption area, or back onto the premises of a business, with permission of the business owner.

Fast-forward to the 2021 legislative session, when the legislature passed HB 890 authorizing local governments to pass ordinances to designate social districts whereby customers of businesses located contiguous to the social district could take open containers of alcohol (including beer, wine, and spirituous liquor) in specially-designated cups off the premises of an ABC permitted establishment and into any areas designated as part of the social district.

During the 2022 legislative session, HB 211 included clarifying provisions to answer questions that arose on the interaction of CAE permits and social districts such as:

- Could CAEs be issued to mixed-use developments that had private streets open to vehicular traffic?
- Can local governments pass ordinances designating social districts in mixed-use developments and/or privately-owned property?
- Can a social district and a special event permit work in tandem?

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HB 211 makes the following clarifications to the existing CAE and social district laws to address those questions:

- A mixed-use development may obtain a CAE that encompasses the development, including privately owned streets, sidewalks, and courtyards and does not have to restrict or close these areas through the delineation of vertical boundaries.
- A city or county may pass a social district ordinance that encompasses a mixed-use development and/or private property and may delegate management of that social district to the property owner or property owner's association.
- Various types of special event permits may act in conjunction with social districts, and cities/counties have flexibility to implement this process. For example, street festivals in a downtown area can operate in conjunction with a social district.
- Property owners and cities/counties have flexibility to implement management and maintenance plans, which include limiting hours of consumption, creating signage, and providing security.

The CAE permit will continue to be issued to the owner or property owners' association of a multi-tenant establishment, but a common area would be defined as "an indoor or outdoor portion of a multi-tenant establishment that is open to the public" and the permit holder can designate common areas to be "designated consumption areas" where consumption of alcoholic beverages is allowed.

The designated consumption area may include:

- Any indoor or outdoor area of a permittee business that is contiguous to a designated common area or
- Any indoor or outdoor area of a non-permittee business that is contiguous to the designated common area and that chooses to allow customers to bring open containers of alcoholic beverages onto its premises.

Additional requirements and clarifications involving a CAE Permit:

- A permittee can be included in the designated consumption area even if it chooses to exclude open containers of alcoholic beverages purchased from other permittees.
- Non-permittee businesses are not responsible for enforcing the alcohol laws but must allow law enforcement officers access to the areas of the premises accessible by customers.
- The designated consumption areas must be submitted to and approved by the ABC Commission and be marked in a way that clearly indicates to customers where the boundaries of the designated consumption area are located.
- Open containers sold by a permittee for consumption in a designated consumption area must be in a container meeting several criteria, and the possession of closed containers would be allowed to the extent otherwise allowed by law.