

OPERATING AGREEMENT
BUSINESS OWNER d/b/a GROCERY/MARKET

THIS GOOD NEIGHBOR AGREEMENT (“Agreement”) is entered into between the business owner d/b/a Grocery/Market. (Hereinafter “Grocery/Market” or “Market”), located in Seattle, WA and the City of Seattle, a municipal corporation (“The City”) for the purpose of fostering improved public safety, security, and quiet enjoyment in the neighborhood surrounding the Market.

BACKGROUND FOR AGREEMENT

1. The Market currently holds a beer/wine grocery store liquor license issued by the Washington State Liquor Control Board (WSLCB). The owner and his wife are the named owners on the liquor permit application.
2. The Market is located in Seattle’s International District. The surrounding community is made up of small store front retail businesses, multifamily residential units and office buildings. The Market is located at the main gateway into the International District.
3. Two community organizations in the International District, the Chinatown International District Business Improvement Association (CIDBIA) and the Community Action Partnership (CAP) have objected to the renewal of the Market’s liquor license because of the owner’s business practice of selling to chronic public inebriates. Both groups believe that the Market has negatively impacted the surrounding neighborhood by selling alcohol to public inebriates who bring a host of negative behaviors into their community.
4. Over the last 10 months the Market has been issued three administrative liquor violations for selling to intoxicated individuals and one for selling to minors. The penalty in each case was either suspension of their liquor license or payment of a fine. The Market chose to pay the fines (\$500, \$2,500, and \$5,000) rather than abide by a suspension.
5. The Market is located in an area that has been designated as a proposed alcohol impact area (AIA). As part of the AIA process, Seattle Department of Neighborhoods representative, along with CAP and CIDBIA representatives, approached the owner of the Market and asked that he sign a Voluntary Good Neighbor Agreement limiting the sale of certain alcohol products that are regularly purchased by chronic public inebriates. The owner chose not to sign the agreement.
6. The Seattle Police Department and the King County Sheriff’s Office have expended significant resources dealing with the problems brought about by the Market’s business practices.
7. In 2004 SPD logged 90 calls for service at the Market’s address; 15 of the 90 calls for service were for transport to a sobering center and 37 were for disturbances. The 15 detox calls make up 16% of the calls for service to the Market address. The owner asserts that the calls for service were not the result of the sale of alcohol by the Market.
8. King County Sheriff Deputies work the Metro Bus Tunnel, located across the street from the Market. The Sheriff’s Office reports responding to 55 alcohol-related incidents on the Market’s Street from December 4, 2004 to February 25, 2005. Sheriff deputies observed one incident of the Market selling to an intoxicated person which resulted in a WSLCB administrative violation against the Market. See KCSO case 04-137901. The owner asserts that the 55 alcohol related incidents were not the result of the sale of alcohol by the Market.
9. The City of Seattle and the community have the ability and opportunity to file an objection to renewal of the Market’s liquor license and/or to request revocation of the Market’s liquor license.

10. Based upon the foregoing, the parties agree as follows:

TERMS OF AGREEMENT

1. The Market agrees that it will not sell fortified wine or high-alcohol content beer or malt alcohol products, including the following list of products:

Beer and Malt Products	Wine Products
Bull Ice Busch Ice Colt 45 Ice Colt 45 Malt Liquor Hamm’s Ice Brewed Ale Hamm’s Ice Brewed Beer Hurricane Ice Malt Liquor Keystone Ice King Cobra Malt Liquor Lucky Ice Ale Premium Lucky Ice Beer Magnum Malt Liquor Mickey’s Iced Brewed Ale Mickey’s Malt Liquor Miller High Life Ice Milwaukee Best Ice Milwaukee Best Premium Ice Beer Natural Ice Old Milwaukee Ice Olde English 800 Olympia Ice Pabst Ice Rainier Ale Red Bull Malt Liquor Red Dog * Schmidt’s Ice Sparks Special 800 Reserve St. Ide’s Liquor and Special Brews Steel Reserve	Boone’s* Boone’s Farm (American Original)* Cisco Gino’s Premium Blend MD 20/20 Night Train Express Richard’s Wild Irish Rose Thunderbird

2. The Market agrees not to sell beer in single-serving containers. Sales of such products shall be made only in packages of six or more cans or bottles.
3. The Market agrees not to sell any alcohol products between the hours of 6 am and 9 am.
4. The Market agrees not to sell any alcohol products to anyone appearing to be under the influence of alcohol or drugs.

5. The Market agrees to sign and abide by the Department of Neighborhood's AIA Good Neighbor Agreement that was previously presented to him.
6. The Market agrees to develop and post a code of conduct clearly visible to patrons. The posting must state that those persons engaging in or suspected of engaging in illegal activity or disorderly conduct will be trespassed from the premises. An SPD Community Police Team Officer will assist in the development of the code of conduct. The Market shall trespass all individuals who violate the code of conduct.
7. The Market shall encourage patrons to act in a manner that does not disturb or annoy neighboring tenants and community members and promotes public safety.
8. The Market shall require all employees who sell alcohol to attend training by the Washington State Liquor Control Board regarding appropriate sales of alcohol and recognition of signs of intoxication. The Market will maintain a log containing the names of all employees and the dates that each employee attended the WSLCB training. The Market will present this log to SPD officers when requested to do so.
9. The Market shall comply with all City and State laws and regulations.
10. The Market shall check the identification of alcohol and cigarette purchasing customers as a normal course of business.
11. The Market will not sell drug paraphernalia including, "roses", ceramic or glass tubes, glass pipes, individual "Brillo" type pads, screens, small "coin" type bags, high heat lighters, or other devices commonly used to smoke, ingest, or sell narcotics.
12. The Market will not provide a public payphone.
13. The Market agrees that all employees will be made aware of this agreement and will be expected to comply with its terms and conditions. All employees must sign an acknowledgment that they have read and understood the terms of the agreement. A copy of the acknowledgement must be provided to the SPD Community Police Team Officer.
14. The Market agrees to contact the designated SPD Community Police Team Officer or Sector Sergeant by phone or e-mail every 2 weeks to maintain open lines of communication for the purpose of monitoring the Market's compliance with the terms of this agreement. The Market agrees to implement reasonable requests from such Officer or Sergeant to improve public health/safety or to decrease public drinking problems.
15. The Market acknowledges that compliance with this agreement does not, by itself, constitute fulfillment of the Market's responsibility to be a good neighbor and comply with all state and local laws.
16. The parties agree and acknowledge that the City of Seattle or community may request WSLCB to consider non-compliance with this agreement in making any decision on renewal or revocation of the Market's liquor license, and that the City may address any public safety concerns to the WSLCB regarding the Market's liquor license regardless of whether such concerns are or are not addressed by this agreement.

17. The Market agrees that, in the event of a transfer of ownership or assumption of its liquor license, the terms of this agreement shall be incorporated into any agreement transferring an interest in the Market to another party. The Market agrees to notify the City upon such transfer.
18. The Market agrees that any violation of this agreement, any action contrary to the terms of this agreement or inaction on the part of the Market to comply with the terms of this agreement will be deemed a material breach of this agreement.
19. Upon breach of any provision of this agreement, the City of Seattle shall deliver notice to the Market of the circumstances surrounding the violation (except that confidential information will not be disclosed), at which point, the sale of alcohol products shall immediately cease. A meeting will be arranged on the next business day (excluding weekends and holidays) following the issuance of the notice to allow the owner an opportunity to explain the circumstances surrounding the violation. Participants at this meeting will include SPD, CAP and CIDBIA representatives. If the owner provides an explanation for the violation that satisfies the concerns of SPD, CAP, and CIDBIA, the City will retract its request that all alcohol sales cease.
20. The parties agree that the City has no adequate remedy at law and that the community will suffer irreparable harm upon breach of this agreement. This agreement may be enforced by injunctive relief. The City may also seek any other remedies deemed necessary by the City to ensure compliance with the terms and conditions of this agreement.
21. Based upon the promises of the Market as set forth in this agreement, the City of Seattle will not object to the Market's 2005 liquor license renewal, nor will the City request a revocation of the Market's liquor license based upon incidents occurring prior to the date of this agreement. Both parties understand and agree that the incidents occurring prior to the date of this agreement may be used as the basis for a renewal objection or revocation request if the Market violates any of the terms of this agreement.
22. Should any provision in this Agreement be declared or determined to be illegal or invalid, the validity of the remaining parts, terms, or provisions shall not be affected thereby, and the illegal or invalid part, term, or provision shall be deemed not to be part of this Agreement, and all remaining provisions shall remain valid and enforceable.
23. This Agreement sets forth the entire agreement between the parties and fully supersedes any and all prior agreements and understandings between the parties pertaining to the subject matter of this Agreement. In entering into this Agreement, the parties are not relying on any promises or representations of any sort except those set forth in writing herein.
24. The parties may execute this Agreement in one or more counterparts. All counterparts shall be construed together and shall constitute one agreement. A fax or copy shall be considered to have the same effect as an original.
25. The laws of the state of Washington shall govern this Agreement.
26. Time is of the essence to this Agreement.
27. Each person signing this agreement on behalf of the Market acknowledges that they have the authority and capacity to enter into this agreement for, and on behalf of, the Market.

28. The Market and The City each acknowledges that it has had the opportunity to seek legal counsel regarding the terms of this agreement and enters into this agreement voluntarily.

Dated this 27th day of May 2005.

By: _____
The Grocery/Market Owner

By: _____
The Grocery/Market Owner

By: _____
West Precinct Commander

By: _____
CIDBIA Executive Director

By: _____
CAP Project Manager