

A public hearing before Bloomsburg Town Council was held Monday, August 31, 2009, beginning at 6:00 p.m. in Council Chambers, Town Hall, 301 East Second Street, Bloomsburg, PA. Present were Mayor Dan Knorr; Council Members Diane Levan, Paul Kinney, Sylvia Costa, Kathy Shepperson, W. Carey Howell and William Kreisher; Town Administrator Carol Mas and Solicitor Jack Mihalik.

PUBLIC HEARING – INTER-MUNICIPALITY TRANSFER OF LIQUOR LICENSE – HH, III, LLC – 112 EAST MAIN STREET

Bloomsburg Town Council held a Public Hearing at 6:00 p.m. concerning the inter-municipality transfer of a liquor license request of HH, III, LLC a partnership of Guy Henrie, III and Jeff Haedrich for 112 East Main Street. A stenographer was present to record the following proceeding.

On a motion by P. Kinney, seconded by D. Levan and voted on unanimously, Council approved Jack Mihalik as the hearing officer of the proceedings.

Solicitor Mihalik outlined the court case that allows for the second liquor license transfer application and the process to be followed for the testimony to be given.

Solicitor Mihalik began with applicant's attorney, Gary Norton. Mr. Norton read aloud a letter from Stephanie Severn of Steph's Subs who was unable attend. Ms. Severn supports and is in favor of the license transfer.

Rich Ridgeway, 95 Friar Lane, Bloomsburg, was sworn in and questioned by Mr. Norton as to his experience as a former restaurant owner/operator and his knowledge of the market. Mr. Ridgeway supports the transfer and feels it will help the downtown become a destination. He believes in competition and that the applicants should be able to pursue their project. Attorney Pat O'Connell, representing Hess' Tavern, objected to his testimony and argued that the restaurant would become a night club. Attorney Frank Kepner, representing several business owners, questioned Mr. Ridgeway's support of the transfer and his theory of free enterprise. Mr. Ridgeway does not believe Town Council should consider the value of other liquor licenses when making a decision.

Guy Henrie, III, 4090 Wolf Hollow Road, Bloomsburg, was sworn in. Mr. Henrie testified that he has had no criminal or liquor law violations at his current establishment Taps Sports Bar and Grill in Briar Creek Township. He along with his partner Jeffery Haedrich owns the license they are asking to be transferred. The restaurant at 112 East Main Street is currently closed. Their plan is to reopen with the same amenities of fine dining, coffee, banquet rooms and live entertainment. He does not believe the transfer will affect the health, safety or welfare of Bloomsburg nor will it affect the neighboring business as the clientele will be different. He does feel it will help to boost the local economy. Attorney O'Connell inquired about his business plan. Mr. Henrie determined they need to have liquor sales to equal 25% of the gross receipts to break even. He declined to tell Attorney O'Connell what he paid for the license they bought from Smith's Café in Catawissa. He also disputed Attorney O'Connell's assumption that the restaurant business would fail and the establishment would become a night club. In response to questions by Attorney Kepner, Mr. Henrie said they had seen five (5) years of tax returns of the former owners; they are transferring a retail license; the sale of the equipment inside the restaurant would be a breach of their contract; live entertainment would take place once or twice a week; they will have twenty (20) barstools; and their closing hours would probably be 10:00pm on weekdays and 1:00am on weekends.

Attorneys O'Connell and Kepner requested the testimony from the previous public hearing be incorporated into the record for this hearing. Attorney Norton and the Mayor objected. Solicitor Mihalik denied the request.

The floor was opened to questions from the audience. Steve Coladonato, 210 West Third Street, Bloomsburg, asked what type of liquor license he had for Taps and if he knew the license quota for Bloomsburg. Mr. Henrie stated he had a hotel license for Taps and he believed the quota was one (1) license per 3,000 people.

Council Member Kreisher asked if he had secured financial backing for this venture; what expertise he had in the restaurant business and if they planned on any renovations to the small kitchen. Mr. Henrie replied he did have bank financing; he hires experts to run the business and there were no plans to increase the size of the kitchen.

Attorney O'Connell called Carol Mas as a witness. He asked her to read a section of the ordinance that spells out the time line for notifying adjacent property owners and the posting of the property. When asked if she knew when the mailings were dated or when the property was posted, she said she did not. He handed her a copy of the postcard that was mailed to Hess' Tavern. The cancellation date was August 11th. Code Enforcement Officer Ed Fegley could not provide the information they were seeking.

Solicitor Mihalik stopped all testimony since the proper notices were not given and suggested the meeting be rescheduled so proper notices could be made to avoid any question on appeal. Attorney Norton argued that delaying the decision would negate the sale as the property was up for foreclosure. Solicitor Mihalik decided there was no choice but to proceed with the hearing.

The hearing was suspended while Ms. Mas checked the meter number on the town's postage machine and copied the Proof of Publication for the legal ads for the hearing.

Angela Young, 3432 Old Berwick Road, Bloomsburg was sworn in and disputed the previous claims that the restaurant equipment was sold. She was in the property on August 27, 2009 and the equipment was still there.

Steve Beyer, 38 Sandy Stone Drive, Orangeville, was sworn in. Attorney Kepner asked him about the posting of the property and about his feelings about the transfer. Mr. Beyer took pictures of the property on August 5th and the property was not posted at that time. He feels the additional license will be a detriment to the town since we do have a liquor problem. He heard that another person was interested in starting a men's clothing store at the property in question but he did not know if there was anything in writing.

Sharon Babb, 727 Market Street, Bloomsburg, was sworn in. As the owner/operator of the Good Old Days, she is concerned for the lack of Mr. Henrie's expertise in the art of fine dining. She does not believe his Master's degree in Business Administration will matter.

Solicitor Mihalik opened the floor up to comments from the audience. All were sworn in as to the testimony they were about to give.

Matthew Zoppetti, 143 West Main Street, Bloomsburg, does not object to the transfer of the license. Harry's will be moving and Portabella's Catering will be moving into Harry's Grille present location. They will probably be asking Council for a transfer as well. He believes we need to be a destination as recognized by the organizers of Downtown Bloomsburg, Inc.

Darl Venditti, 50 Hassert Lane, Bloomsburg, is the former owner of Rock's (currently Good Old Days). Even back then they had competition close by but they did not have any problems because of those other restaurants and/or bars.

Angela Young is the listing broker for the property. She has had only one written offer for the property and that is from Mr. Henrie and Mr. Haedrich. No contents have left the building except for the private property of the owner and operator.

Eric Bower, 350 East Third Street, Bloomsburg, owner of bloomutoday.com, stated that most citations he has seen at the magistrate's office are for underage drinking at house parties. They are not from licensed establishments. Attorney Kepner inquired as to the system he uses to make such a claim. Mr. Bower views all the citations filed. He believes this endeavor will be good for Bloomsburg by bringing in money from outside the area.

Jeffrey Haedrich, 4188 Old Berwick Road, Bloomsburg, has grown up in the bar business. They will bring in professional people to run the restaurant. He and Mr. Henrie have been in business together for seven (7) years. They will stand by their reputation and the property will remain a restaurant. They do not want a student bar.

Solicitor Mihalik closed the record at 7:45pm.

On the open discussion by Council, Mayor Knorr did not hear much different from the last hearing. He does not feel the transfer would damage the health, safety or welfare of the town. He has been told by the Chief of Police that only 5% of the calls are from licensed establishments. The risk of the restaurant becoming a bar is the same for any of the current restaurants that have a license. To turn away a reputable business would be economic suicide. The Mayor does not believe competition or the value of a license should be the concern of Council. One business should not be favored over another.

On a motion by D. Knorr, seconded by K. Shepperson and voted on five (D. Knorr, D. Levan, S. Costa, K. Shepperson, C. Howell and W. Kreisher voting "Yes") to One (P. Kinney voting "No"), Council approved the inter-municipal liquor license transfer request from HH, III, LLC for 112 East Main Street

There being no further business, the public hearing adjourned at 7:55pm.

CAROL L. MAS
Town Administrator & Secretary