



September 20, 2013

Honorable Mayor and City Council
City of Hayward
777 B Street
Hayward, CA 94541

Re: Codifying the Proposed Revisions to the Alcohol Beverage Outlet Regulations to Allow Happy Hours and Entertainment at Full-service Restaurants

Dear Honorable Mayor and City Council:

The California Restaurant Association (CRA) is the definitive voice of the food service industry in California and is the oldest restaurant trade association in the nation. On behalf of our restaurant members in the city of Hayward, we submit this letter urging you to support codifying the existing Happy Hours 'trial program' with the following recommendations:

- **Fees:** We urge you to please consider reducing the proposed fee by half. The proposed recommendations calls for a fee to obtain a Retail License. However, individual restaurants pay a significant amount in fees for numerous permits. Furthermore, restaurants serving alcohol beverages currently pay the Department of Alcohol Beverage Control for their permit. The proposed fee is redundant and adds another level of bureaucracy.
- **Hours:** The proposed hours from 4 p.m. to 9 p.m. are a step in the right direction, however, we strongly encourage you to consider removing the time restriction to allow full-service restaurants to have the flexibility to determine the best times to attract customers to their businesses through promotional strategies, such as Happy Hours. Under the proposed ordinance, restaurants will be required to send their employees to a Responsible Beverage Service training course, which will help employees understand their responsibilities when serving alcoholic beverages and recognize signs when a customer no longer should be served alcoholic drinks.
- **Critical Incidents Responsibility:** We strongly oppose placing this undue burden on businesses. The responsibility and expense for critical incidents should be solely that of those parties involved. The ordinance puts such responsibility on

both the parties and/or licensee. It leaves it to authorities to determine who is responsible in a subjective manner and application of the law in an inconsistent manner.

The restaurant industry is an extremely competitive business sector with a significant number of restaurants shuttering their doors in the first several years. The average profit margin before taxes is between four and six percent for limited service restaurants and about three percent for full service restaurants. Providing regulatory relief for these businesses is essential to creating a vibrant city and attracting new businesses, such as full-service restaurants. During the 'trial program,' several full-service restaurants in Hayward experienced an increase in customers, which created additional staffing needs and greater employment opportunities. To help build upon these positive effects that full-service restaurants have experienced creating an environment in which full-service restaurants can succeed and remain competitive, not only with other eating establishments in Hayward, but also other restaurants in nearby cities, codifying the 'trial program' is essential.

Thank you in advance for your support on this issue. We strongly urge you, again, to support codifying the 'trial program' with our recommendations above-mentioned.

Should you have any questions, please contact me at 408.416.6344 or jgonzalez@calrest.org.

Sincerely,



Javier Gonzalez
Director, Government Affairs + Public Policy
California Restaurant Association

cc: Fran David, Hayward City Manager; Miriam Lens, Hayward City Clerk; David Rizk, Hayward Director of Development

