



## Liquor Control Board for Harford County, Maryland

16 North Main Street  
Bel Air, Maryland 21014-3780  
410-638-3028 • Fax 410-638-4970  
www.hlcb.org



February 16, 2023

### VIA ELECTRONIC MAIL ONLY

The Hon. Teresa Reilly  
Chair, Harford County Delegation  
House Office Building, Room 203  
6 Bladen St.  
Annapolis, MD 21401

### **RE: HB 670 – Harford County - Alcoholic Beverages – Stadium License Annual Fee - OPPOSED**

Dear Chair Reilly and Members of the Harford County Delegation:

This legislation's intent is to reduce the annual fee for a stadium beer, wine, and liquor license in Harford County. On behalf of the Commissioners of the Harford County (MD) Liquor Control Board, I wish to convey to the Members of the Harford County Delegation that the Board is opposed to and does not support HB 670.

The Board recommends, if the bill is approved and the liquor license fee is reduced, the bill should include amending the language for all future Harford County Stadium Class licenses to allow for the sale of beer and wine ONLY and eliminate the sale of liquor products.

Additionally, the language should be amended for all future premises of Stadiums licensed and only recognize the stadium's physical structure as part of the licensed establishment and NOT include any parking lot areas adjacent to the stadium.

These amendments (as Mr. Graham indicated) would then establish this class of liquor license in line with "other" similar stadiums, and "compare Apples to Apples."

The following information provides a brief explanation from the Board as to how it arrived at its decision not to support this proposal.

The management for R.S. Concessions t/a Ripken Stadium proposed the original license fee at the inception of their application in 2002, for the privilege to serve Alcoholic Beverages at their venue.

In fact, when the "new" license class for R.S. Concessions t/a Ripken Stadium was proposed, presented, and approved by the Delegation, it was the only one of its kind in Harford County.

The annual "Stadium License" license fee has not deviated, and has remained constant for the 20 years, it has been in existence, in Harford County, with one exception.

The Delegation needs to be aware of the following information which describes the one exception, where the annual "Stadium" liquor license fee was reduced by the HCLCB. This fee reduction only applied to R.S. Concessions, and to no other liquor license holder.

For the licensing year 2020-2021, during the declared "State of Emergency" for the COVID 19 pandemic, the Harford County Liquor Control Board (HCLCB) prorated and reduced the licensing fee for R.S. Concessions t/a Ripken Stadium from \$10,000 to \$3,293.

The HCLCB was empathetic to the reduction in revenue specifically experienced by R.S. Concession, as across the United States, the "Great American past-time grinded to a halt," and all of baseball suspended normal operations.

HCLCB decided to prorate the license fee for R.S. Concessions and based the fee on the estimated number of months the facility was able to operate at full capacity.

In 2022, as the State transitioned out of its State of Emergency, and into its post-pandemic phase, the licensing fee for R.S. Concessions reverted to its previous amount.

It was apparent as the pandemic restrictions began to ease and life entered its phase of a "new normal," R.S. Concessions t/a Ripken Stadium's business returned to pre-pandemic levels.

To provide a pre and post pandemic "picture," of R.S. Concessions revenue stream, in the pre-pandemic year of 2019-2020, the total number of baseball home games for the Aberdeen IronBirds baseball season was thirty-eight (38). This information was verified by utilizing the IronBirds baseball schedule for the year and included only games with posted results, i.e., wins or losses and the scores of the home games.

HCLCB then compared that to the number of baseball games currently listed on the website for the 2023 Aberdeen IronBirds season which boasts sixty-six (66) home games. These are "home" games where alcoholic beverages can be sold, which will result in increased revenue for R.S. Concessions.

During our recent discussions, Mr. Jack Graham, General Manager for Ripken Professional Baseball, indicated the revenue projections originally offered by the HCLCB were "wrong," and the HCLCB should not use the ticket prices posted on "open internet sources," as those figures were inaccurate.

So, to provide a more accurate picture, the HCLCB reevaluated its revenue projections for R.S. Concessions utilizing the figures supplied by Mr. Graham for 2022.

Mr. Graham provided the following statistics for the business indicating the "actual" average attendance per game for the Ripken/Leidos Stadium is 1,920 people, and the average ticket price for attendees is \$16.00.

Using his own numbers, the HCLCB offers a new projection for the licensee's stadium revenue for the 2023 baseball season. The following figures are derived from anticipated ticket sales for the 2023 IronBirds baseball season and the sixty-six (66) scheduled games. Based upon Mr. Graham's own previously paid (2022) attendance figures and applying them to the 2023 season, R.S. Concessions can anticipate an increase in revenue of \$2,027,520.

In comparison, the pre-pandemic year of 2019-2020 using the same figures supplied by Mr. Graham, the revenue generated should have been have been \$1,167,360.

Therefore, using the figures supplied by Mr. Graham, the stadium will have an anticipated increase of revenue for the 2023 season from home games ticket sales alone of \$860,160.

Mr. Graham indicates "it's not certain all of the sixty-six (66) games will be played."

However, even if some of the scheduled games are cancelled, the revenue derived by R.S. Concessions from the remaining games would be more than adequate to cover the annual cost of the liquor license.

Mr. Graham indicated the "organization" announced "120,000" ticket (sales) for the organization in 2022. He indicated the organization "gave away" a portion of these 120,000 tickets to various organizations. 6,000 tickets are given to the Town of Aberdeen as part of their contract.

HCLCB's position is the portion of tickets given away by R.S. Concessions are a decision made by the organization's management, and these decisions are outside the purview of the HCLCB.

Therefore, the organization decides on the number of tickets and to whom they give them too.

Mr. Graham wants you to believe this management decision reduces their revenue and therefore should be included as justification to reduce the organization's annual liquor license fee. The HCLCB position is those decisions are solely at the discretion of R.S. Concession's management and are not mandated or required to obtain a liquor license.

Mr. Graham supplied the gross revenue for "alcohol sales" for R.S. Concessions for 2022 of \$371,237.63 which he indicated was inclusive of sales tax and liquor tax across all events, not just baseball games.

He provided the net amount of revenue the organization received from liquor sales was \$340,584.07, which he indicated was 2.9% of the after-tax alcohol sales revenue.

The payment of taxes is not unique to R.S. Concession, all Harford County businesses with liquor licenses are required to pay taxes. These taxes are in addition to the fee they pay for their liquor licenses.

Based on Mr. Graham's own figures, HCLCB's position is the annual Liquor License fee of \$10,000 is reasonable for their privilege of being permitted to sell alcoholic beverages at this venue.

Mr. Graham indicates R.S. Concessions "only want to be on the same playing field" as similar stadiums in Maryland.

Based on Mr. Graham's assertions, HCLCB staff searched Maryland jurisdictions having minor league baseball teams that have stadiums with liquor licenses.

The following stadiums/teams were used for comparison purposes:

Frederick County, The Frederick Keys, licensed to sell beer and wine ONLY. The annual license fee is \$2,000.

Wicomico County, The Delmarva Shorebirds, licensed to sell beer and wine ONLY. The annual license fee is \$2,000. However, this license has additional restrictions. Those restrictions limit the hours of operation for selling beer and wine ONLY during the hours on Monday through Friday noon to 9 pm.; and on Sundays 1 pm. to 5 pm.

Prince Georges County, The Bowie Baysox's, licensed to sell beer and wine ONLY. The annual license fee is \$2,420.

The Hagerstown Suns, (stadium scheduled to re-open in 2024) Washington County, licensed to sell beer and wine ONLY. The annual license fee is \$2,000. However, they have an additional fee of \$250 for each Sunday event.

The Alcoholic Beverage licenses for the above stadiums ONLY permit the sale of beer and wine.

R.S. Concessions t/a Ripken Stadium's current license permits them to sell beer, wine, and LIQUOR.

Additional research revealed a license permitting a stadium to sell beer, wine and liquor is available in Baltimore City. The annual license fee is \$12,000. There is an additional license fee of \$500 required if the license holder provides live entertainment, and \$200 if the license holder provides outdoor or café service.

A license is also available in Prince George's County permitting the sale of beer, wine, and liquor. The annual license fee is \$21,780.

As you can see, those stadiums permitted to sell beer, wine, and liquor all have license fees greater than R.S. Concession's current fee.

R.S. Concessions t/a Ripken Stadium also possesses the ability to increase the number of "other events" held at the licensed establishment throughout the year.

Their liquor license does not restrict or limit the organization from increasing the number of "other" events at the licensed establishment. R.S. Concessions licensed establishment also includes the huge parking lot adjacent to the stadium. These "other" events could occur throughout the year and could include the sale of alcoholic beverages, which would increase the revenue for the organization.

The multitude of "other" types of events are currently advertised and noted on the organization's website and reveal past and future "other" events which have or will occur on the licensed premises.

The aforementioned matters are R.S. management and marketing strategies the organization could employ to increase their revenue.

As originally stated, the Board is not in favor and does not support HB 670.

If the Commissioners of the Board may be of any further assistance to the Committee, please feel free to contact us.

Sincerely,



W. Michael Crabbs  
General Manager

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