NEW YORK STATE SENATOR

Liz Krueger

Sen. Krueger Condemns 2 A.M. Passage of Special Liquor Law Carve-Out for 583 Park Avenue, Rose Group Catering Hall; Calls for Governor to Veto

LIZ KRUEGER June 25, 2013

ISSUE: CONTROLLED SUBSTANCES, ALCOHOL

Sen. Krueger condemned the Senate's passage -- at 2 a.m. last Saturday -- of legislation that would create a special exemption from the Alcoholic Beverage Control (ABC) Law for the Rose Group's full-time commercial catering hall at 583 Park Avenue, Manhattan (S. 5823 / A. 7992). Under the provisions of the ABC Law, the catering hall is ineligible for a full liquor license because it is located within 200 feet of an operating house of worship, the Central Presbyterian Church.

This location-specific carve-out from the law for a site within Sen. Krueger's district was moved forward and passed by the Senate Majority Coalition over Sen. Krueger's opposition.

This legislation was vigorously opposed by both the local community board and the Central Presbyterian Church, which is within 200 feet of the catering establishment. The underlying law was written specifically to put a buffer between places of worship or schools and establishments with full liquor licenses. Moreover, the caterer already unsuccessfully attempted to sue its way out of obeying the law. This bill negates a recent Appellate Division judgment, which the state's highest court has refused to overrule, affirming that the State

Liquor Authority (SLA) acted correctly in denying the Rose Group a full liquor license for 583 Park Avenue. 583 Park Avenue did recently secure a partial license for beer and wine, to which the 200 foot rule is inapplicable.

Having lost in court and having alienated the community, the Rose Group turned to lobbyists and the legislature to solve its problems. Rose Group owner Louis Rose and his lobbyists have given tens of thousands in recent years to state elected officials. At one point in its quest to secure a legal carve-out, the Rose Group had retained at least four lobbying firms to the tune of at least $30,000 monthly.

The following statement can be attributed to Sen. Krueger:

"Checks have rained down in Albany and a small army of lobbyists have stalked the halls of the capitol pushing for this special carve-out from the law just for one business, at the expense of neighborhood residents in my district. This bill's passage is just more proof that well-connected lobbyists and donors can and are buying favors in our unreformed, unrepentant legislature.

"This is a new low, even for us -- an exemption from the law custom-written for one business that was passed over my strenuous objection as the local senator, a clear break from standard Senate practice and a violation of the principle of home rule. And the proof of how shameful this deal was is the fact that no senator was willing to sponsor this bill and put their own name on it. Instead it was pushed by 'Senator Rules,' the imaginary senator who sponsors bills no one wants to defend -- which is itself a shameful practice that breeds corruption and ought to be banned.

"I stand with Congresswoman Carolyn Maloney, Councilmember Daniel Garodnick, and Manhattan Community Board 8 in opposing this last-minute sweetheart deal. This is just plain wrong, and I urge Gov. Cuomo to veto this legislation -- and continue his pursuit of

comprehensive campaign finance and ethics reform, which will hopefully put a stop to end runs and special favors for connected businesses like this one."

False Rhetoric on Jobs and the Business's Need for the Carve-Out

Lobbyists and advocates for the Rose Group argued that the catering hall is a large generator of full-time jobs that would be irrevocably lost should its business discontinue at the 583 Park Avenue site, and that it could not survive without a full liquor license. Both claims fly in the face of available evidence.

Representatives of the Rose Group have argued this facility generates hundreds of jobs, and have characterized these jobs as mostly full-time. But based on its representatives' statements to the SLA, this catering hall actually employs fewer than a dozen permanent, full-time staff. Hundreds of event-specific jobs move through -- waitstaff, florists, DJs, equipment operators -- but these jobs would exist at other Manhattan catering venues if events were not held at this location. Their submission to the SLA which states that the facility employs 700 people with an annual payroll of $3.7 million renders absurd the idea that most or even many of these jobs are real, permanent, full-time jobs -- as the payroll would average out to roughly $5,000 per job, per year.

Moreover, the catering hall has argued that a full liquor license is essential to its continued operation and the preservation of these jobs, which Sen. Krueger and community advocates have argued flies in the face of both the evidence and economic common sense. In fact, with a beer-and-wine license, the Rose Group had 25 events in a two-month period – a far thicker schedule than in the past. Attendance at these events was also high, with four events boasting attendance in excess of 500.

Even if the business's claim that a beer-and-wine license imperils its viability were credible, "no one is cancelling their wedding or their annual fundraiser because this one catering hall doesn't have a liquor license, or even if it closes," explained Sen. Krueger. "It's basic economics -- the events this catering hall facilitates are Manhattan events, and they will happen and generate jobs regardless of the venue -- maybe even at the Rose Group's other Manhattan venue. Catering is a service business, and the demand for that service remains the same regardless of whether this particular site is open or serving hard alcohol."

Misleading Statements Accompanying the Legislation Itself

The bill's sponsor memorandum contains language indicating this legislation allows "the State Liquor Authority to issue a license to a person using the permanent catering facilities of a church, synagogue or other place of worship" when these facilities would otherwise be subject to the 200-foot rule. This isn't at all what the bill actually does -- and the difference is legally significant. In fact, the bill is simply a carve-out making the 200-foot rule inapplicable within the geographic bounds of 583 Park Avenue. What's more, the descriptive language in the memo indicating the bill is intended to create an exemption for "the permanent catering facilities of a...place of worship" glosses over the central holding of the case that the Rose Group lost in court -- that their catering business may be operating out of the church's building, but it constitutes a commercial enterprise separate from the church or its functions as a place of worship. In fact, the church -- which has handed over its building to a private catering company -- is a Christian Science church, which does not approve of its members using alcohol.

In effect, the sponsor memorandum reads as if this bill is intended to create an exception to the 200-foot rule so that this Christian Science Church is not barred from securing a liquor license for its own use. Nothing could be further from the truth, as the bill is a carve-out targeting a single business which the courts have already recognized as separate from the church that houses it.

Background:

Previous year: The New York Times, "Upstate Lawmakers Aid Caterer in Its Bid for Liquor License on Park Ave."