

Toasting with Take-out Alcohol Won't Save Local Business

By Mina Matsumoto, JD/MBA Candidate 2022

The California Alcoholic Beverage Control (“ABC”) recently [announced a temporary relaxation of regulations](#) that allow bars and restaurants to sell alcohol for takeout, delivery, and drive-thru. This move is intended to help to make up some of the revenue lost due to mandatory coronavirus closures. California isn't the only one; in the same week, states across the country [announced similar changes](#).

[New York, for example, released similar laws](#), stating that “under the Governor’s direction, the manufacture, distribution and sale of alcoholic beverages are deemed essential.”

However, these changes generally only apply to “bona fide eating places,” with food prepared and served by the establishment. Bars that only serve alcohol seem to be out of luck. Online, those bars appear closed until the shelter-in-place mandate is lifted.

Meanwhile on Caviar and other delivery platforms, many restaurants have enthusiastically added a cocktail section to their menu. [One bar in NY](#) will throw in a bag of chips (\$3 on their limited bar menu) with each cocktail delivery to comply with the rule. The irony? That bar is a speakeasy, designed for another time in history when people were not supposed to frequent bars.

One Bay Area bar [bought a bottling machine to deliver tiki drinks](#) to customers with the required caps. The bars that are struggling to pay rent though, might not be able to afford this investment, or invest in infrastructure to deliver. Some are [calling for a 10% cap](#) on the fees that delivery platforms charge, indicating a need for more regulation that helps out an industry in a time of desperate need.

In addition, [cities might not lift local regulations](#), and it is unclear if each city will continue to enforce the law as is. In California at least, the ABC’s action does not preempt local laws. In that case, then business in certain cities will not be able to take advantage of the relaxed regulations.

The ABC’s regulatory relief helps in a meaningful way. But it doesn’t help everyone, and won’t be enough to bring operations back to what they were. Someone has to bear the loss, and someone has to make the difficult choices: whether it’s the landlord who collects rent from the shuttered businesses, or the proprietors deciding whether or not to take on debt. Without more awareness and marketing, customers may not even be aware that the restaurants and bars are open for delivery; they might assume everything is closed or not bother to check each establishment’s status, thus increasing the industry’s reliance on platforms like Caviar and DoorDash.



It will take purposeful steps to get the hospitality industry through this; [something will be needed to support the small businesses](#)- perhaps no-interest loans, rent freezes, or temporary debt forbearance. Without additional investment in the local economy, residents might emerge from social distancing to find that their neighborhood simply can't go back to the way it was.