

## Information Item

**Date:** April 12, 2022

**To:** Mayor, Mayor Pro Tempore, and Members of the City Council

**From:** Aaron King, Assistant City Manager

**Subject:**  
Information Item on Social Districts

**Strategic Focus Area:** Economic Vitality and Diversity

**Strategic Objective:** No

**Strategic Plan Action Item:** No

**Key Work Item:** No



In September 2021, the North Carolina General Assembly approved House Bill 890 (see attached copy) which was titled “An Act to Make Various Changes to the Alcoholic Beverage Control Commission Laws.” Included in this Bill was the authorization for local governments to create social districts. The Bill goes on to describe a social district as:

“A defined outdoor area in which a person may consume alcoholic beverages sold by a permittee. This term does not include the permittee’s licensed premises or an extended area allowed under G.S. 18B-904(h).”

HB 890 includes various standards relating to district boundaries, hours of operation, and requirements for beverage containers used in conjunction with a social district. Since the passage of HB 890 in late 2021, several NC municipalities have approved the creation of social districts within their respective downtown areas including: Greensboro, Hickory, Newton, Lake Norman, and Kannapolis. Several other NC municipalities are currently considering the creation of social districts as well.

The City has the authority to create a social district for downtown or for portions of the downtown if authorized by the Mayor and City Council. The creation of a social district could be seen as a tool to increase foot traffic downtown and to contribute to the recovery of downtown businesses as a result of Covid-19. Should the Mayor and City Council wish to explore the creation of a social district, the following items should be given consideration:

- **Public Safety:** Staff consulted with leadership of the WSPD regarding the creation of a social district. The department currently faces significant staffing shortages and expressed the inability to provide additional resources in downtown area. The department shared concerns about difficulties in enforcing potential ordinance provisions along with the public’s expectations regarding enforcement efforts.

- Administration: The creation of a social district would necessitate the need for administration of the program. Mapping, signage, and procurement of cups meeting the standards of HB 890 would need to be given consideration. Additionally, efforts would need to be made to educate the public along with downtown stakeholders on the rules for any such social district.
- Boundaries: Downtown Winston-Salem is fortunate to have many areas that foster a vibrant nightlife. Creation of a social district could be considered for one contiguous area of downtown or the City could choose to create multiple smaller social districts. The creation of smaller districts could serve as a pilot program to observe the impact of social districts on downtown before consideration of a larger district.
- Input/Support: Should the Mayor and City Council wish to explore the creation of a social district, extensive input should be gathered from downtown stakeholders. Before implementing a social district, the City should seek input from downtown businesses to understand the level of interest.

Staff will be present at the April 12, 2022, Community Development/Housing/General Government Committee to provide a presentation on social districts.