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South Side businesses rush to get liquor licenses

Ruling allows no limit on licenses – for now

Pittsburgh Business Times - by [Tim Schooley](#)

Amid a storefront scattered with flyers for concerts and community events, a familiar neon red sign hangs in the window of the [Beehive Coffeehouse](#).

In the wake of a court ruling last month, the new liquor license transfer posted in the South Side coffee shop is just one example of a business now free to serve alcohol on East Carson Street.

In December, Allegheny County Court of Common Pleas Judge Joseph James struck down a zoning ordinance established in 2007 that limited the number of liquor licenses that could be used in Local Neighborhood Zoning Districts greater than 2 million square feet, a standard that included East Carson Street and its collection of more than 100 alcohol-serving bars and restaurants.

By ruling the city overstepped the authority of the [Pennsylvania Liquor Control Board](#) in making the decision, James opened up a path for South Side businesses not currently serving alcohol to get liquor licenses.

This week, the city appealed James' ruling, but that won't keep the ordinance from being lifted.

So far, Beehive co-owner Steve Zumoff said he's received no complaints since he first posted the sign a few weeks ago, signalling his plans to begin selling beer, wine and spirits at the coffee shop.

"I figure we'll do it now before the rules change again," said Zumoff, who also is an owner of South Side establishments [Lava Lounge](#), [Tiki Lounge](#) and the [Double Wide Grill](#). "Now the way it is, you never know what's going to happen."

While proponents of the zoning ordinance regroup and decide how to reestablish control over a South Side they see as overrun with nuisance-causing bars and clubs, some observers expect to see licenses transfer in and new operators set up shop on Carson Street after being legally shut out of the South Side for the past two years.

Terri Sokoloff, a principal of Ross-based restaurant services firm [Specialty Group](#), already is working with a Carson Street business, whose name she declined to disclose, to establish the licensing to make it a bottle shop and expects other clients to be active there. A bottle shop is a hybrid bar/ restaurant that sells some food while specializing in craft beers sold on premise, and in mixed-and-matched six packs.

"I've been busy on the street and I expect to see a lot more," she said. "I think it's opening the floodgates. I think people are going to take advantage of it."

Along with the Beehive, which hopes to begin serving alcohol in the next two months, [Baba D's](#), the East Carson Street restaurant that sued over the restriction, also is serving alcohol now, and [S-Bar](#) expects to expand.

Lou Caputo, a lawyer who specializes in liquor license issues and represents Baba D's in the liquor license transfer issue, expects that, as a result of the ruling, a handful of new licensees will seek to set up shop. He believes the new ordinance will be a lasting one, even with the city's appeal.

"We're in a little different situation now where we have a court order from a judge saying what you can and cannot do," he said, adding the state's statute on liquor license authority is pretty clear.

Rick Belloli, executive director of the [South Side Local Development Co.](#), expects a rush of new licenses but downplayed any lasting impact.

"I think we might see a short-term spike. I don't know if we'll see a long-term spike," he said.

In the long run, both Caputo and Belloli expect the level of new liquor licenses on East Carson Street to be not much more than what it was before the ordinance was put into effect two years ago.

Belloli acknowledged working with a couple of would-be fine dining establishments seeking to be on the South Side that were hampered by the ordinance, but has mixed feelings about it being lifted. He sees too little distinction in the liquor code between sit-down restaurants that sell mostly food and bars and clubs.

"In my perfect world, the state would define bar and restaurant differently in the licensing," he said. "Until they do, it's a very difficult challenge."



Joe Wojcik
Beehive Coffeehouse co-owner Steve Zumoff says the shop plans to start serving alcohol within two months.

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Gary Garda, who deals in liquor licenses through his Downtown-based **TLC Brokers/Garda Realty**, expects more competition on the South Side could help eliminate problem operators with the help of better enforcement.

"The problem is that for the bars that are bad, there's too little enforcement," he said.

"You can't penalize good entrepreneurs for coming in because bad entrepreneurs are already in there. Get rid of the bad bar owners and the good ones will dominate the market."

But Belloli believes it isn't as easy to evaluate which bars and clubs are causing problems when drunken behavior most often causes issues not in the bars, but in the streets and around the homes of local residents.

Whatever change comes next, Zumoff is relieved to be free from a ban of selling alcohol so he can bolster his business to help overcome the losses from another ordinance: the smoking ban.

He said he expects little else will change at the Beehive other than the addition of alcohol to its menu options.

He describes a move made of necessity due to the damage done to the Beehive last year by the smoking ban, which cleared out 40 percent of its business within a month.

"The smoking ban hurt our business to the point where we needed to do something different," Zumoff said.

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