

DISTRICT OF COLUMBIA

+ + + + +

ALCOHOLIC BEVERAGE CONTROL BOARD

+ + + + +

FACT FINDING HEARING

IN THE MATTER OF:

Eastbanc, Inc.,
t/a Eastbanc
3307 M Street, NW
License No. 76154
Retailer CR
ANC 2E
License in Extended Safekeeping

THURSDAY, MAY 15, 2014

The Alcoholic Beverage Control Board met in the Alcoholic Beverage Control Hearing Room, Reeves Building, 2000 14th Street, N.W., Suite 400S, Washington, D.C. 20009, Ruthanne Miller, Chairperson, presiding.

PRESENT:

RUTHANNE MILLER, CHAIRPERSON
NICK ALBERTI, MEMBER
DONALD BROOKS, MEMBER
HERMAN JONES, MEMBER
MIKE SILVERSTEIN, MEMBER
HECTOR RODRIGUEZ, MEMBER
JAMES SHORT, MEMBER

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

P R O C E E D I N G S

11:47 A.M.

CHAIRPERSON MILLER: Is this the Pizzeria Uno case?

MR. O'BRIEN: I'm sorry, I thought this was the Eastbanc case. I think we had two at 11 o'clock.

CHAIRPERSON MILLER: Okay, that's on the calendar there. I'm sorry, Mr. O'Brien is right, the Eastbanc case is scheduled for 11. So if you're responding to Pizzeria Uno, that will be next.

MR. SHORT: Thank you, Mr. Alberti.

MR. ALBERTI: You're welcome. I was confused.

CHAIRPERSON MILLER: All right, so then this is Eastbanc located at 3307 M Street, NW. License No. 76154 in ANC 2E.

MR. O'BRIEN: Stephen O'Brien for the license holder. I'm accompanied by Kenneth Shiu, S-H-I-U, who is executive vice

1 president of Eastbanc. Did I get that right?

2

3 MR. SHIU: Correct.

4 CHAIRPERSON MILLER: Mr. O'Brien,
5 what can you tell us about this one?

6 MR. O'BRIEN: This license was
7 acquired by Eastbanc. I'm sorry, once again,
8 traffic was bad and I couldn't get my files.

9 CHAIRPERSON MILLER: Okay.

10 MR. O'BRIEN: A handful of years
11 ago, maybe three, something four. And it was
12 acquired by Eastbanc for the purposes of
13 holding it and I'll be more specific.
14 Eastbanc is a developer, a real estate
15 developer with extensive dealings in
16 Georgetown. When Eastbanc acquires a property
17 and rehabilitates it and wants to rent it out
18 for a restaurant, it has to have a license
19 available. So Eastbanc has actually had a
20 couple licenses that it's held over the years
21 and then put back into action within incoming
22 tenants. This license is being held for that

1 very same reason. So it's not for speculation
2 to sell to a third party. It is for the
3 purpose of having a license available for
4 upcoming projects in Georgetown. And it is in
5 the Georgetown moratorium zone.

6 MR. SILVERSTEIN: Is the license
7 at 3307? Where is it? Where do you plan to
8 use it?

9 MR. SHIU: We have a couple of
10 properties in Georgetown that we may use it
11 at. One of them is possibly The Clyde's
12 building -- not Clyde's -- Mr. Smith's
13 building that we acquired last year.

14 MR. SILVERSTEIN: The address?

15 MR. SHIU: 3104 M Street.

16 MR. SILVERSTEIN: Again?

17 MR. SHIU: 3104 M Street. We
18 acquired that building last year and it will
19 be a restaurant. We will require a license
20 for that space. Another possible location
21 would be 2715 Pennsylvania Avenue. It's
22 currently a gas station, but we have that

1 under contract and we plan on building a
2 restaurant there as well.

3 MR. O'BRIEN: That's the gas
4 station in the V where Pennsylvania and M come
5 together right across from the Four Seasons
6 Hotel.

7 MR. ALBERTI: Can I interject?
8 Mr. Shiu already has a license.

9 MR. SHIU: That's with the tenant.
10 We're not going to use that.

11 MR. ALBERTI: You're not going to
12 use that. So that license then will become
13 another safekeeping. I got you. I just
14 wanted to make sure we understood.

15 I'm quite familiar with Eastbanc
16 and with Mr. Lanier with the development you
17 folks are doing with the West End Library area
18 and things of that sort. You do major
19 developments in a lot of places that change
20 blocks, change neighborhoods, and I don't see
21 you as speculators, but I would ask how long
22 you think that this one is going to sit around

1 before you can plug it in somewhere?

2 MR. SHIU: Hopefully, very soon.
3 The Mr. Smith site has been acquired. So that
4 one is probably going to come up first. I
5 don't know what part of the redevelopment
6 phase that that is in. The second site, the
7 triangular gas station is still under contract
8 in a due diligence period. I don't know if
9 that will close or not, but I suspect if it
10 does, that one will require another license.

11 MR. ALBERTI: So we're going to
12 lose -- are we going to lose -- is that gas
13 station we're going to lose down on the other
14 end of Georgetown as well?

15 MR. SHIU: Correct.

16 MR. ALBERTI: So both of those M
17 Street gas stations are going bye-bye.

18 MR. SHIU: Correct.

19 CHAIRPERSON MILLER: Anything
20 else? Mr. O'Brien?

21 MR. ALBERTI: Where is that? You
22 haven't --

1 MR. SHIU: The triangular site is
2 under contract. The other gas station, we
3 acquired it already.

4 MR. O'BRIEN: The triangular site
5 though is -- we're under contract where we do
6 due diligence period meaning that if after
7 conducting site studies which are particularly
8 important, they could back out, they meaning
9 Eastbanc could back out and decide not to buy
10 the property. But Eastbanc's pattern is not
11 to enter into contracts with the intention of
12 backing out. It's only if they discover
13 something that is --

14 MR. SILVERSTEIN: We've learned
15 that. We've learned that. I think Mr. Nader
16 has learned that. I think a lot of people
17 have learned that. You don't back out of
18 things once you get --

19 MR. SHORT: Can you describe is
20 there any kind of time line at all?

21 CHAIRPERSON MILLER: Wait a
22 second, can we have some decorum. Mr.

1 Alberti, I just want to get back to the point
2 where the chair will call on people. We're
3 all starting to call out at once. Go ahead,
4 Mr. Alberti.

5 MR. ALBERTI: So in the last few
6 years, where have you placed licenses, just
7 out of curiosity? This is your time.

8 MR. SHIU: Sure, we're not license
9 speculators. We don't make money off of this.
10 We place a license at Mate, at Leopold's. We
11 sold another license that we acquired from
12 Eagle Liquor back to George Diamond. I'm not
13 sure what he subsequently did with that
14 license. So as soon as we find a use for it,
15 we use it.

16 MR. ALBERTI: Okay, thank you.

17 CHAIRPERSON MILLER: Others? Mr.
18 Short.

19 MR. SHORT: I just want to know if
20 there was any kind of time line at all on
21 these transfers. I understand that the
22 triangle that EPA uses, but the --

1 MR. SHIU: I hope to be as fast as
2 possible, but unfortunately I don't control
3 that process. So --

4 MR. O'BRIEN: Mr. Shiu, you've
5 acquired the Mr. Smith's site.

6 MR. SHIU: Correct.

7 MR. O'BRIEN: Is Mr. Smith not
8 continuing to operate right now?

9 MR. SHIU: I'm not certain what
10 the status is.

11 MR. O'BRIEN: I believe it is.
12 There's a lease back on that. And I'm not
13 sure when that ends. I think I heard that it
14 was to the end of the year. But I could be
15 wrong about that when Mr. Smith's has to
16 actually physically leave.

17 MR. SHIU: We are in our
18 predevelopment stage which means we're just
19 doing the planning, absolutely nothing has
20 changed at that site, yet. So once we figure
21 out what we're going to do and secure access
22 to the site, we'll actually do it and then put

1 the license back in use. Right now, I do know
2 that it will be a restaurant.

3 MR. O'BRIEN: In answering Mr.
4 Silverstein's earlier question, 3307 M Street
5 address is Eastbanc corporate headquarters.

6 MR. SILVERSTEIN: Is the?

7 MR. O'BRIEN: Eastbanc's
8 corporation headquarters.

9 CHAIRPERSON MILLER: Do you have
10 more licenses in this one in safekeeping?

11 MR. SHIU: We do not.

12 CHAIRPERSON MILLER: Oh, this is
13 it.

14 MR. SHIU: Yes.

15 CHAIRPERSON MILLER: Okay. Am I
16 correct that Eastbanc's property is also at
17 the gas station at 23rd and M or something,
18 22nd and M?

19 MR. SHIU: The Exorcist Steps?

20 MR. O'BRIEN: 23rd and M. Yes,
21 that's a condo building, right.

22 CHAIRPERSON MILLER: Right, over

1 the gas station. I just want to compliment
2 you on that because the room is just amazing,
3 the green roof. It's beautiful. But it
4 doesn't sound like you're doing that over
5 these other gsa stations?

6 MR. SHIU: We are.

7 CHAIRPERSON MILLER: You are? Oh,
8 so you are keeping the gas stations?

9 MR. SHIU: We're planning to put
10 the green roof on top of our roof, so the
11 neighbors up above don't look at all sorts of
12 ugly rooftop equipment. So to the extent that
13 we can, we always try to make our roofs look
14 like little gardens. We did the same thing
15 over in 3303 K Street over the Pepco
16 substation.

17 CHAIRPERSON MILLER: I know this
18 isn't our jurisdiction necessarily, but you're
19 not keeping the gas station?

20 MR. SHIU: No.

21 CHAIRPERSON MILLER: Anyway, I
22 think it's beautiful, really. Okay, any other

1 questions?

2 Does the Board want to see this
3 applicant again or hear from them with an
4 update?

5 MR. ALBERTI: Just to be
6 consistent, I think six months would be a hook
7 up date.

8 CHAIRPERSON MILLER: So why don't
9 -- I think with another one was we could put
10 you on the calendar, but if you give us a
11 written update, we say two weeks before the
12 six months we may not have to have you in fact
13 finding, depending on what this says. Just an
14 update. So all we're waiting to hear is that
15 one license and it's been put to use anywhere
16 and what the schedule might be.

17 MR. O'BRIEN: I always want to be
18 101 percent accurate with the Board.

19 CHAIRPERSON MILLER: Okay.

20 MR. O'BRIEN: I have heard only in
21 the last 24 hours and not from Eastbanc, but
22 some talk that Eastbanc may be acquiring the

1 rights to yet another Georgetown license. I
2 have no knowledge of the details or anything,
3 but when you asked the question, Madam Chair,
4 does Eastbanc have any other licenses, Mr.
5 Shiu answered very accurately no.

6 But I think from what I heard,
7 there might be something more coming with yet
8 another license. I don't even know what
9 license it is.

10 CHAIRPERSON MILLER: Okay, okay, I
11 just didn't know whether --

12 MR. ALBERTI: You have no idea
13 whether it's --

14 MR. O'BRIEN: No, no. I didn't
15 want Mr. Shiu to say no, we only have one and
16 then you're all of a sudden, there's another
17 one.

18 CHAIRPERSON MILLER: Okay.

19 MR. ALBERTI: Thanks for clearing
20 that up.

21 MR. O'BRIEN: Okay.

22 CHAIRPERSON MILLER: I just didn't

1 know if you were keeping a few instead of
2 keeping for your developments. So we're only
3 talking about one that's been in safekeeping
4 for a development when a use becomes
5 available.

6 MR. O'BRIEN: Yes, as Mr. Shiu
7 said, others that have been in safekeeping in
8 the past have been, in fact, reissued for
9 particular locations.

10 CHAIRPERSON MILLER: Okay. I
11 don't think the Board really has any concerns
12 about that. That seems like a -- we don't
13 have a problem with that. We're just kind of
14 keeping track of what's going on with the
15 licenses in safekeeping. Okay, good.

16 All right, thank you.

17 MR. O'BRIEN: Thank you very much.

18 (Whereupon, at 12 noon, the fact
19 finding hearing was concluded.)
20
21
22

A	buy 7:9 bye-bye 6:17	D	fact 1:5 12:12 14:8 14:18 familiar 5:15 fast 9:1 figure 9:20 files 3:8 find 8:14 finding 1:5 12:13 14:19 first 6:4 folks 5:17 four 3:11 5:5	Hopefully 6:2 Hotel 5:6 hours 12:21
A.M 2:2 absolutely 9:19 access 9:21 accompanied 2:21 accurate 12:18 accurately 13:5 acquired 3:7,12 4:13,18 6:3 7:3 8:11 9:5 acquires 3:16 acquiring 12:22 action 3:21 address 4:14 10:5 ago 3:11 ahead 8:3 Alberti 1:20 2:14 2:15 5:7,11 6:11 6:16,21 8:1,4,5,16 12:5 13:12,19 Alcoholic 1:3,15,15 amazing 11:2 ANC 1:11 2:19 answered 13:5 answering 10:3 Anyway 11:21 applicant 12:3 area 5:17 asked 13:3 available 3:19 4:3 14:5 Avenue 4:21	C	D 2:1 D.C 1:16 date 12:7 dealings 3:15 decide 7:9 decorum 7:22 depending 12:13 describe 7:19 details 13:2 developer 3:14,15 development 5:16 14:4 developments 5:19 14:2 Diamond 8:12 diligence 6:8 7:6 discover 7:12 DISTRICT 1:1 doing 5:17 9:19 11:4 DONALD 1:20 due 6:8 7:6	G	I
B	calendar 2:9 12:10 call 8:2,3 case 2:4,6,10 certain 9:9 chair 8:2 13:3 Chairperson 1:17 1:19 2:3,8,17 3:4 3:9 6:19 7:21 8:17 10:9,12,15 10:22 11:7,17,21 12:8,19 13:10,18 13:22 14:10 change 5:19,20 changed 9:20 clearing 13:19 close 6:9 Clyde's 4:11,12 COLUMBIA 1:1 come 5:4 6:4 coming 13:7 compliment 11:1 concerns 14:11 concluded 14:19 condo 10:21 conducting 7:7 confused 2:16 consistent 12:6 continuing 9:8 contract 5:1 6:7 7:2 7:5 contracts 7:11 control 1:3,15,15 9:2 corporate 10:5 corporation 10:8 correct 3:3 6:15,18 9:6 10:16 couple 3:20 4:9 CR 1:10 curiosity 8:7 currently 4:22	E	H	J
back 3:21 7:8,9,17 8:1,12 9:12 10:1 backing 7:12 bad 3:8 beautiful 11:3,22 believe 9:11 Beverage 1:3,15,15 blocks 5:20 Board 1:3,15 12:2 12:18 14:11 BROOKS 1:20 building 1:16 4:12 4:13,18 5:1 10:21	E 2:1,1 Eagle 8:12 earlier 10:4 Eastbanc 1:8,9 2:6 2:10,18 3:1,7,12 3:14,16,19 5:15 7:9 10:5 12:21,22 13:4 Eastbanc's 7:10 10:7,16 ends 9:13 enter 7:11 EPA 8:22 equipment 11:12 estate 3:14 executive 2:22 Exorcist 10:19 Extended 1:11 extensive 3:15 extent 11:12	G 2:1 gardens 11:14 gas 4:22 5:3 6:7,12 6:17 7:2 10:17 11:1,8,19 George 8:12 Georgetown 3:16 4:4,5,10 6:14 13:1 give 12:10 Go 8:3 going 5:10,11,22 6:4,11,12,13,17 9:21 14:14 good 14:15 green 11:3,10 gsa 11:5	K	JAMES 1:22 JONES 1:21 jurisdiction 11:18
F		L	L	K
				K 11:15 keeping 11:8,19 14:1,2,14 Kenneth 2:22 kind 7:20 8:20 14:13 know 6:5,8 8:19 10:1 11:17 13:8 13:11 14:1 knowledge 13:2
				L
				Lanier 5:16 learned 7:14,15,16 7:17 lease 9:12 leave 9:16 Leopold's 8:10 Library 5:17 license 1:10,11 2:19 2:21 3:6,18,22 4:3 4:6,19 5:8,12 6:10 8:8,10,11,14 10:1 12:15 13:1,8,9 licenses 3:20 8:6 10:10 13:4 14:15 line 7:20 8:20 Liquor 8:12 little 11:14 located 2:18 location 4:20

locations 14:9	10:3,7,20 12:17	properties 4:10	schedule 12:16	4:15,17 6:17 10:4
long 5:21	12:20 13:14,21	property 3:16 7:10	scheduled 2:10	11:15
look 11:11,13	14:6,17	10:16	Seasons 5:5	studies 7:7
lose 6:12,12,13	o'clock 2:7	purpose 4:3	second 6:6 7:22	subsequently 8:13
lot 5:19 7:16	Oh 10:12 11:7	purposes 3:12	secure 9:21	substation 11:16
	okay 2:8 3:9 8:16	put 3:21 9:22 11:9	see 5:20 12:2	sudden 13:16
	10:15 11:22 12:19	12:9,15	sell 4:2	Suite 1:16
<hr/> M <hr/>	13:10,10,18,21		Shiu 2:22 3:3 4:9	sure 5:14 8:8,13
M 1:9 2:18 4:15,17	14:10,15	<hr/> Q <hr/>	4:15,17 5:8,9 6:2	9:13
5:4 6:16 10:4,17	once 3:7 7:18 8:3	question 10:4 13:3	6:15,18 7:1 8:8	suspect 6:9
10:18,20	9:20	questions 12:1	9:1,4,6,9,17 10:11	
Madam 13:3	operate 9:8	quite 5:15	10:14,19 11:6,9	<hr/> T <hr/>
major 5:18			11:20 13:5,15	t/a 1:9
Mate 8:10	<hr/> P <hr/>	<hr/> R <hr/>	14:6	talk 12:22
MATTER 1:7	P 2:1	R 2:1	Short 1:22 2:13	talking 14:3
meaning 7:6,8	part 6:5	real 3:14	7:19 8:18,19	tell 3:5
means 9:18	particular 14:9	really 11:22 14:11	SILVERSTEIN	tenant 5:9
MEMBER 1:20,20	particularly 7:7	reason 4:1	1:21 4:6,14,16	tenants 3:22
1:21,21,22,22	party 4:2	redevelopment 6:5	7:14 10:6	thank 2:13 8:16
met 1:15	pattern 7:10	Reeves 1:16	Silverstein's 10:4	14:16,17
MIKE 1:21	Pennsylvania 4:21	rehabilitates 3:17	sit 5:22	Thanks 13:19
Miller 1:17,19 2:3	5:4	reissued 14:8	site 6:3,6 7:1,4,7	thing 11:14
2:8,17 3:4,9 6:19	people 7:16 8:2	rent 3:17	9:5,20,22	things 5:18 7:18
7:21 8:17 10:9,12	Pepco 11:15	require 4:19 6:10	six 12:6,12	think 2:6 5:22 7:15
10:15,22 11:7,17	percent 12:18	responding 2:11	Smith 6:3 9:7	7:16 9:13 11:22
11:21 12:8,19	period 6:8 7:6	restaurant 3:18	Smith's 4:12 9:5,15	12:6,9 13:6 14:11
13:10,18,22 14:10	phase 6:6	4:19 5:2 10:2	sold 8:11	third 4:2
money 8:9	physically 9:16	Retailer 1:10	soon 6:2 8:14	thought 2:5
months 12:6,12	Pizzeria 2:4,11	right 2:10,17 3:1	sorry 2:5,9 3:7	three 3:11
moratorium 4:5	place 8:10	5:5 9:8 10:1,21,22	sort 5:18	THURSDAY 1:13
	placed 8:6	14:16	sorts 11:11	time 7:20 8:7,20
<hr/> N <hr/>	places 5:19	rights 13:1	sound 11:4	top 11:10
N 2:1	plan 4:7 5:1	RODRIGUEZ	space 4:20	track 14:14
N.W 1:16	planning 9:19 11:9	1:22	specific 3:13	traffic 3:8
Nader 7:15	plug 6:1	roof 11:3,10,10	speculation 4:1	transfers 8:21
necessarily 11:18	point 8:1	roofs 11:13	speculators 5:21	triangle 8:22
neighborhoods	possible 4:20 9:2	rooftop 11:12	8:9	triangular 6:7 7:1
5:20	possibly 4:11	room 1:16 11:2	stage 9:18	7:4
neighbors 11:11	predevelopment	Ruthanne 1:17,19	starting 8:3	try 11:13
NICK 1:20	9:18		station 4:22 5:4 6:7	two 2:7 12:11
noon 14:18	PRESENT 1:18	<hr/> S <hr/>	6:13 7:2 10:17	
NW 1:9 2:19	president 3:1	S 2:1	11:1,19	<hr/> U <hr/>
	presiding 1:17	S-H-I-U 2:22	stations 6:17 11:5,8	ugly 11:12
<hr/> O <hr/>	probably 6:4	safekeeping 1:11	status 9:10	understand 8:21
O 2:1	problem 14:13	5:13 10:10 14:3,7	Stephen 2:20	understood 5:14
O'Brien 2:5,9,20	process 9:3	14:15	Steps 10:19	unfortunately 9:2
2:20 3:4,6,10 5:3	projects 4:4	says 12:13	Street 1:9,16 2:19	Uno 2:4,11
6:20 7:4 9:4,7,11				

<p>upcoming 4:4 update 12:4,11,14 use 4:8,10 5:10,12 8:14,15 10:1 12:15 14:4 uses 8:22</p> <hr/> <p style="text-align: center;">V</p> <hr/> <p>V 5:4 vice 2:22</p> <hr/> <p style="text-align: center;">W</p> <hr/> <p>Wait 7:21 waiting 12:14 want 8:1,19 11:1 12:2,17 13:15 wanted 5:14 wants 3:17 Washington 1:16 we'll 9:22 we're 5:10 6:11,13 7:5 8:2,8 9:18,21 11:9 12:14 14:2 14:13 We've 7:14,15 weeks 12:11 welcome 2:15 West 5:17 written 12:11 wrong 9:15</p> <hr/> <p style="text-align: center;">X</p> <hr/> <p style="text-align: center;">Y</p> <hr/> <p>year 4:13,18 9:14 years 3:10,20 8:6</p> <hr/> <p style="text-align: center;">Z</p> <hr/> <p>zone 4:5</p> <hr/> <p style="text-align: center;">0</p> <hr/> <p style="text-align: center;">1</p> <hr/> <p>101 12:18 11 2:7,11 11:47 2:2 12 14:18 14th 1:16</p>	<p>15 1:13</p> <hr/> <p style="text-align: center;">2</p> <hr/> <p>2000 1:16 20009 1:17 2014 1:13 22nd 10:18 23rd 10:17,20 24 12:21 2715 4:21 2E 1:11 2:19</p> <hr/> <p style="text-align: center;">3</p> <hr/> <p>3104 4:15,17 3303 11:15 3307 1:9 2:18 4:7 10:4</p> <hr/> <p style="text-align: center;">4</p> <hr/> <p>400S 1:16</p> <hr/> <p style="text-align: center;">5</p> <hr/> <p style="text-align: center;">6</p> <hr/> <p style="text-align: center;">7</p> <hr/> <p>76154 1:10 2:19</p>			
---	---	--	--	--