Restaurant Association of Maryland

September 4, 2024

Position: OPPOSE

Council Bill O-6-24
City of Annapolis – City-wide Prohibition on New Drive-through Windows

The Restaurant Association of Maryland (RAM) opposes Council Bill O-6-24, "City-wide Prohibition on New Drive-through Windows." This legislation would have several unintended negative consequences for local businesses, residents, and the city's economy.

Economic Impact on Local Businesses:

- Drive-throughs are essential for many restaurants, particularly fast-food establishments that rely heavily on this model. Many drive-through locations in Annapolis are owned by local franchisees. Banning new drive-throughs could hinder business growth and limit opportunities for local entrepreneurs.
- The convenience of drive-throughs is crucial for customers with mobility issues, parents with young children, and individuals with tight schedules. A National Restaurant Association survey conducted by Morning Consult found that 74% of commuters and 72% of parents use drive-throughs at least once per week.[1] Eliminating this option for new businesses could reduce potential patronage.

Comparative Infrastructure:

- The bill sponsor cites the Netherlands as an inspiration for pedestrian-friendly planning. However, parts of Annapolis lack the public transportation infrastructure and urban density that make such models successful in European cities. Implementing a similar ban without comparable infrastructure could have unintended consequences.

Impact on Accessibility:

- Drive-throughs provide essential services for individuals with disabilities, offering a convenient way to obtain food and beverages. A survey concluded that 55% of adults

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[1] National Restaurant Association survey conducted by Morning Consult, April 10-12, 2023 (supporting document attached to testimony)

find takeout essential to their lifestyle.[2] These community members deserve the same access as others.

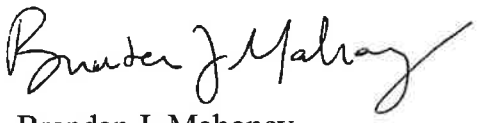
Adaptation to Consumer Preferences:

- The restaurant industry has seen a shift towards contactless and drive-through services, especially post-COVID-19. Many consumers have maintained these habits, with 66% of adults more likely to use takeout and drive-throughs now than before the pandemic.[3] Banning new drive-throughs would prevent businesses from adapting to evolving preferences and could hinder the city's ability to attract new dining establishments.

The path to operating a drive-through in the city is already highly regulated, permitted in only nine zoning districts, and most require special approval involving public hearings, traffic, and pedestrian safety impact studies, and approval by the Annapolis Planning Commission. This process helps prevent adverse impacts from drive-throughs. We urge the Council to strengthen or utilize existing permitting procedures instead of banning drive-throughs outright.

Thank you for considering these concerns. We are willing to collaborate with the Council on revising existing permitting procedures.

Sincerely,



Brendan J. Mahoney
Government Affairs & Local Grassroots Manager

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2 & 3 National Restaurant Association survey conducted by Morning Consult, April 10-12, 2023 (supporting document attached to testimony)

WHITE PAPER * NATIONAL RESTAURANT ASSOCIATION * SEPTEMBER 2023

Developing Issue

LOCAL DRIVE THRU BANS

Around 75% of all restaurant traffic is off-premises, meaning people order and take their food with them to consume it. Drive thrus account for 51% of all off-premises traffic, making this one of the most popular ways for people to dine out. However, local governments nationwide are moving to ban new restaurants with drive thrus, effectively limiting consumer access to local small businesses.

According to new research from the National Restaurant Association, nearly 1 in 3 adults use drive thrus multiple times per week. Notably, that usage is fairly consistent across urban, suburban and rural consumers. Fifty percent of both parents and commuters, who need convenience and efficiency in their busy lifestyles, find themselves at drive thrus multiple times a week.

Banning drive thrus fundamentally changes a community's access to the meals they rely on and negatively impacts the economy of a local area by driving down restaurant usage and sales.

NATIONAL RESTAURANT ASSOCIATION

DRIVE THRU

THE ISSUE

DRIVE THRUS ALLOW RESTAURANT OPERATORS TO REMAIN FLEXIBLE AMID WORKFORCE SHORTAGES WHILE MEETING CUSTOMER DESIRE FOR FLEXIBILTY AND PROVIDING A SAFE AND STREAMLINED ENVIRONMENT FOR THEIR EMPLOYEES.

Proponents of planning and zoning restrictions on restaurants with drive thrus suggest these bans will help reduce emissions and litter, reduce traffic congestion, and enhance walkability. In some areas, lawmakers are even trying to curate the types of businesses welcome in their communities.

For restaurant operators, the bans cut deeply into their operations and sales potential.

THE PUBLIC SUPPORTS DRIVE THRUS AS AN OPTION

55%

OF ALL ADULTS SAY PURCHASING TAKEOUT FOOD IS ESSENTIAL TO THE WAY THEY LIVE

63%

OF ADULTS OPPOSE BANNING DRIVE THRUS IN THEIR COMMUNITIES - OF THOSE, 45% STRONGLY OPPOSE THE BANS

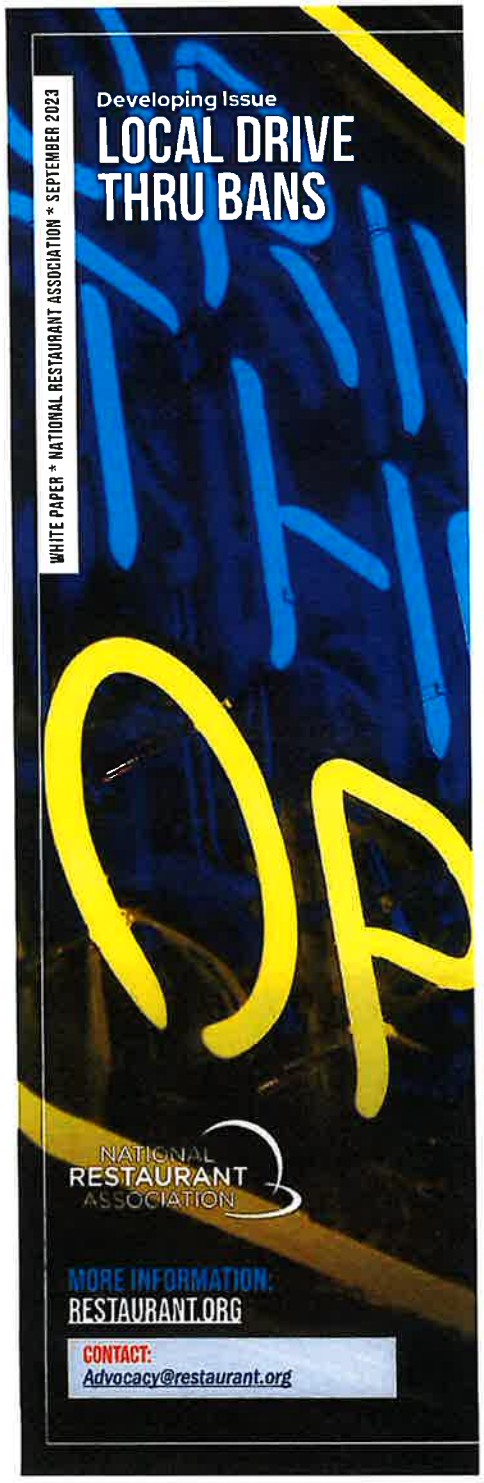
50%

OF ADULTS STOP AT A DRIVE THRU AT LEAST ONCE A WEEK, OF THOSE, 30% USE DRIVE THRUS MULTIPLE TIMES A WEEK

74%

OF COMMUTERS AND 72% OF PARENTS USE DRIVE THRUS ONCE PER WEEK, WITH MOST VISITING DRIVE THRUS MULTIPLE TIMES PER WEEK

Source: National Restaurant Association survey conducted by Morning Consult, April 10-12, 2023



CONSUMER HABITS CHANGED DURING THE PANDEMIC, AND NOW THEY ARE EVEN MORE FOCUSED ON OFF-PREMISES DINING OPTIONS. THESE HABITS HAVE STUCK; 66% OF ADULTS SAY THEY'RE MORE LIKELY TO PURCHASE TAKEOUT AND FREQUENT DRIVE THRUS THAN BEFORE THE PANDEMIC.

67%
OF COMMUTERS SAY A DRIVE THRU BAN IN THEIR COMMUNITY WOULD IMPACT THEIR DAILY ROUTINE

AND

65%
OF PARENTS REPORT A DRIVE THRU BAN IN THEIR COMMUNITY WOULD IMPACT THEIR DAILY ROUTINE

TODAY'S DRIVE THRUS ARE ESSENTIAL BUSINESS OPPORTUNITIES

In addition to meeting changing habits, drive thrus provide access for people with mobility challenges, caregivers with small children to wrangle, and commuters.

Drive thrus allow restaurant operators to efficiently serve customers during peak times, while ensuring a safe working environment for their employees.

According to National Restaurant Association research, nearly 2 in 3 restaurant operators are understaffed to meet their current customer demand. Having the option to go "drive thru only" allows restaurants to stay open on days when they're critically short staffed.

Emerging brands and small businesses often embrace the drive thru model to court an audience that desires new options with the convenience of a drive thru. In fact, this is one of the fastest growing opportunities for restaurant sales growth.

Many large restaurant brands are including drive thrus in nearly all future store locations.

Municipalities that ban drive thrus would largely remove themselves from contention to attract these operators.

Suppose a restaurant is barred from including a drive thru in a new location. In that case, some operators expect they'd opt for pick-up windows, creating the need for additional parking spaces and unintentionally making traffic concerns worse.

With the rise of third-party delivery and digital ordering, some operators are experimenting with new drive thru configurations, such as having a lane dedicated to advance orders (like third-party delivery or pick up) and a more traditional drive thru lane dedicated to on-site ordering. These new designs will help to relieve congestion and speed up customer orders.

BOTTOM LINE

Restaurant operators want to work with local governments to ensure new drive thrus work for each unique community.

HOWEVER, AN OUTRIGHT BAN ON NEW RESTAURANTS WITH DRIVE THRUS WOULD FRUSTRATE CONSUMERS AND STIFLE THE GROWTH AND INNOVATION THAT MAKE THE RESTAURANT INDUSTRY AN ESSENTIAL PART OF DAILY LIFE.