



Legislation Details (With Text)

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Type: Ordinance **Status:** Agenda Ready

File created: 8/27/2018 **In control:** City Council

On agenda: 9/4/2018 **Final action:**

Title: Conduct the first reading of an ordinance amending Sections 3-3-11:1 and 3-3-11:2 of the Naperville Municipal Code pertaining to the Class G - Beer and Wine Package Sale and setting the limit of available Class M - Recreational liquor licenses at 13.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Ordinance Amendments, 2. Draft August 9, 2018 Liquor Commission Minutes, 3. June Liquor Commission Minutes

| Date | Ver. | Action By | Action | Result |
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| 9/4/2018 | 1 | City Council | conducted | |

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Conduct the first reading of an ordinance amending Sections 3-3-11:1 and 3-3-11:2 of the Naperville Municipal Code pertaining to the Class G - Beer and Wine Package Sale and setting the limit of available Class M - Recreational liquor licenses at 13.

DEPARTMENT: Legal Department

SUBMITTED BY: Jennifer Lutzke, Senior Assistant City Attorney

BOARD/COMMISSION REVIEW:

On August 9, 2018, the Liquor Commission voted unanimously to recommend a liquor code text amendment modifying the Class G - Beer and Wine Package Sale and increasing the limit of available Class M - Recreational liquor licenses.

BACKGROUND:

Class M - Recreational

Section 3-3-11:1 of the Naperville Municipal Code established the Class M -Recreational liquor license classification. A Class M license authorizes the retail sale of alcoholic liquor for consumption on-site during the time that the recreational portion of the premises is open and available for use or with a lifestyle amenities service. The number of available Class M licenses is capped at 12. A text amendment is required to raise the cap for any new business to obtain a Class M liquor license.

Class G - Beer and Wine Package Sale

The Class G - Beer and Wine Package Sale allows for the retail sale of beer and wine in its original

package for off-premises consumption. To be eligible for a Class G license, the licensee must be in a center containing not less than 60,000 square feet, or a B1 zoned property containing at least 45,000 square feet. The number of available Class G licenses is capped at 6. A text amendment is required to lower the cap and clarify the square footage requirements.

DISCUSSION:

Class M - Recreational

On February 8, 2018, VR 360 Playground, a virtual reality business to be located at 22 E. Chicago Street next to Bar Louie presented its concept to the Liquor Commission. VR 360 was advised to seek approval from the Planning and Zoning Commission. VR 360's request to recommend raising the Class M liquor license cap was tabled until the concept developed and was approved by Planning and Zoning Commission.

The Planning and Zoning Commission subsequently recommended and Council recently approved a conditional use permit for VR 360 Playground.

On August 9, 2018, VR 360 petitioned the Liquor Commission for a Class M liquor license cap increase to allow it to engage in the retail sale of beer and wine for consumption on the premises. VR 360's average customers spend approximately one hour to one and half hours at their business. Beer, wine, and non-alcoholic drinks will be served in bottles and cans at the bar. The Liquor Commission voted unanimously to approve raising the Class M liquor license cap.

Class G - Beer and Wine Package Sale

PRIDE Stores, located at 1503 North Aurora Road, approached the City seeking a Class G license. At the June 7, 2018 Liquor Commission Meeting, the Liquor Commission determined that Pride qualified for a Class G license. There are currently two other Class G licensees: 7-Eleven, 1663 N. Route 59 and Fresh Thyme Farmers Market, 790 Royal Street George Drive, Suite 139E. After the Liquor Commission approved PRIDE for the Class G license, the Liquor Commission determined that amendment was necessary to clarify that the square footage requirements. The Liquor Commission also recommended lowering the cap on this license to allow additional oversight by the Liquor Commission and City Council.

On August 9, 2018, the Liquor Commission unanimously approved amendments to the Class G license. The proposed amendments clarify the requirements that the licensees be "located in a shopping center containing not less than 60,000 square feet of gross building floor area, or a B1 zoned property containing at least 45,000 square feet of gross building floor area." The amendment exempts current Class G licensees from the square footage requirements and lowers the cap from 6 to 4. If the amendment is approved, there will be one license available under this classification. Additional licenses will require raising of the cap.

Minutes from the June 7, 2018 and August 9, 2018 (draft, unapproved) Liquor Commission meetings are attached.

FISCAL IMPACT:

This ordinance will have a fiscal impact associated with the increased revenue received from the liquor license fee and associated sales tax.