



Legislation Text

File #: 24-0426, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Waive the first reading and pass the ordinance amending Section 3-3-11:2 of the Naperville Municipal Code by decreasing the annual liquor license fee for the Class S1- Specialty Food and Liquor Shop from \$3,600 to \$1,650 (requires six positive votes)

DEPARTMENT: Legal Department

SUBMITTED BY: Jennifer Bonner, Senior Assistant City Attorney

BOARD/COMMISSION REVIEW:

On April 4, 2024, the Liquor Commission considered Tasting deVine's request to decrease the annual liquor license fee for the Class S1-Specialty Food and Liquor Shop and unanimously recommended City Council approval.

BACKGROUND:

The Class S1-Specialty Food and Liquor Shop ("Class S1") liquor license is an off-premises liquor license, which allows for the package sale of wine bearing the establishment's private label, beer, and craft distilled whiskey or small batched whiskey. It also allows for limited on-premises consumption with limits of 3 oz. of craft distilled whiskey or small batch whiskey, or 18 oz. of wine, or 32 oz. of craft beer per person/day.

In 2016, the license was created to allow Vom Fass to sell alcoholic liquor. The license is capped at one. At the time the license was created, the annual liquor license was set at \$3,600 due to the uniqueness of the concept.

On March 4, 2021, Tasting deVine representatives petitioned the Liquor Commission to sell craft whiskey and small batch whiskey in its original package. The representatives also sought the ability to sell craft beer/whiskey and small batch whiskey for on-premises consumption. At that time, Tasting deVine was licensed under the Class S - Specialty Wine Shop classification and sought expansion of that license.

The Liquor Commission considered Tasting deVine's request. The Liquor Commission decided that amending the Class S1 license would be appropriate to avoid impacting the other four (4) Class S - Specialty Wine Shop licenses. The closure of Vom Fass, holder of the only Class S1 license, made a Class S1 license available. The Liquor Commission directed staff to draft an ordinance amending the current Class S1 license.

At its April 8, 2021 meeting, the Liquor Commission voted unanimously to recommend to the City Council an ordinance modifying the Class S1 license.

On May 18, 2021, City Council passed the ordinance amending the Class S1 license.

DISCUSSION:

On April 4, 2024, Tasting deVine representatives petitioned the Liquor Commission to decrease the annual liquor license fee for the Class S1 license. Tasting deVine sought a reduction in the annual liquor fee and argued that a comparable liquor license, the Class S, has an annual fee of \$1,500. It also argued that the annual fee was significantly higher than that paid by restaurants and taverns (\$2,325), taverns (\$2,625), and package liquor stores (\$2,500).

After reviewing the liquor license annual fees, the Liquor Commission recommended reducing the annual liquor license fee for the Class S1 license from \$3,600 to \$1,650. Draft minutes from the April 4, 2024 Liquor Commission meeting are attached hereto.

FISCAL IMPACT:

Corresponding decrease in receipt of annual liquor license fee.