



## Legislation Text

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File #: 18-348B, Version: 1

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### **CITY COUNCIL AGENDA ITEM**

#### **ACTION REQUESTED:**

Pass the ordinance amending Sections 3-3-11:1 and 3-3-11:3 of the Naperville Municipal Code setting the limit of available Class M - Recreational liquor licenses at 12 and Late Night Permits for non-Downtown locations at 41.

**DEPARTMENT:** Legal Department

**SUBMITTED BY:** Jennifer Lutzke, Senior Assistant City Attorney

#### **BOARD/COMMISSION REVIEW:**

The Liquor Commission voted unanimously to recommend a liquor code text amendment increasing the limit of available Class M - Recreational liquor licenses and Late Night Permits for non-Downtown locations on April 5, 2018.

#### **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 11. A text amendment is required to raise the cap for any new business to obtain a Class M liquor license.

##### **Late Night Permit**

The Naperville Liquor Code currently requires that Class B - Restaurant and Tavern licensees stop serving liquor at 11:00pm daily. The Late Night Permit allows the holder of a valid Class B license to serve liquor from 11:00pm until 1:00am Monday through Friday and 2:00am on Saturday and Sunday (without kitchen and menu requirements). Late Night Permits are currently capped at 24 for premises located in the Downtown and 40 for non-Downtown locations. All available Late Night Permits are currently taken so a text amendment is required to raise the cap for any new or existing Class B licensee to obtain a Late Night Permit.

#### **DISCUSSION:**

##### **Class M - Recreational**

Recently, The WorkBench DIY Studios petitioned the Liquor Commission for a Class M liquor license to allow it to engage in the retail sale of beer and wine for consumption on the premises at 2960 Artesian Road. The WorkBench DIY Studios is slated for opening in June 2018. The WorkBench DIY Studios will offer classes for creating custom and charming home décor ranging from wooden signs,

canvas pillows and tapestries. Beer and wine will be served from a bar area for consumption in the workshop area of the premises; there will be four tables with six seats each in the workshop area. The proposed hours of operation are Tuesday through Sunday, 11:00am to 6:00pm , 6:30pm - 9:30pm.

On March 15, 2018, the Liquor Concept Committee reviewed The WorkBench DIY Studios request for a Class M liquor license. The Concept Committee concluded that The WorkBench DIY Studios' concept was appropriate Class M license but found that there was not a Class M license available due to the Class M cap. A copy of the materials submitted to the Liquor Concept Committee is attached. The matter was referred to the Liquor Commission due to the Class M cap and concerns about the type of tools that would be used on premises.

On April 5, 2018, The WorkBench DIY Studios presented its concept to the Liquor Commission. The representatives shared that all wood used by customers will be pre-cut and that the customers will not use any power tools while on-premises. The Liquor Commission voted unanimously to recommend that the City Council increase the Class M liquor license cap from 11 to 12. Should City Council pass the attached ordinance increasing the number of available Class M licenses, upon proper application, the Liquor Commissioner will issue a Class M license to The WorkBench DIY Studios.

Draft minutes from the April 5, 2018 Liquor Commission meeting are attached.

### **Late Night Permit**

Taps N Tenders is a casual dining restaurant with full bar featuring fresh hand breaded chicken tenders and chunks, burgers, salads, and personal pizzas. Taps N Tenders is slated to open in June 2018 at 3320 S. Route 59. The proposed hours of operations are Monday through Thursday, 11:00am to 12:00am, Friday through Saturday, 11:00am to 1:00am, and Sunday, 11:00am to 11:00pm. Taps N Tenders seeks a Class B Restaurant/Tavern liquor license and a Late Night Permit, allowing them to sell liquor on premises with its primary business focus being the service of food.

On March 15, 2018, the Liquor Concept Committee reviewed Taps N Tenders request for a Class B - Restaurant/Tavern liquor license and a Late Night Permit. The Concept Committee concluded that Taps N Tenders concept was appropriate for a Class B -Restaurant/Tavern liquor license and a Late Night Permit but found that there was not a Late Night Permit available due to the cap. The matter was referred to the Liquor Commission due to the Late Night Permit cap.

On April 5, 2018, the Liquor Commission unanimously recommended that the City Council increase the Late Night Permit cap from 40 to 41 for non-Downtown locations. Draft minutes from the April 5, 2018 Liquor Commission meeting are attached.

Currently there are 40 late night permits for premises located outside of the Downtown. The attached ordinance increases the cap by one to set a Late Night Permit limit at 41 for non-downtown locations. Should City Council pass the attached ordinance, any additional requests for a Late Night Permit in excess of the set limitation would have to be approved by Council.

On May 1, 2018, City Council conducted the first reading of the liquor ordinances.

**FISCAL IMPACT:**

An annual increase of \$5,025 in licensing and permitting fees and a corresponding increase in sales tax and food and beverage revenue.