PUBLIC HEARING
Liquor Commission
December 3, 2013

Commissioners Present: Tari Renner and Jim Jordan.

Commissioners Absent: Steve Stockton and Geoffrey Tompkins**.**

Staff Present: George Boyle, Asst. Corporation Counsel, Clay Wheeler, Asst. Police Chief, and Tracey Covert, City Clerk.

The Public Hearing was called to order at 4:02 p.m. Commissioner Renner informed those present that he had met with the Downtown Bar Owners Association last night, (December 2, 2013).

George Boyle, Asst. Corporation Counsel, addressed the Commission. He reviewed the proposed Text Amendment to Chapter 6. Alcoholic Beverages, Section 7A. Classification. This amendment would clarify restaurant versus tavern. In addition, he addressed restaurants versus liquor licenses that were not a restaurant, i.e. entertainment venue. He cited the current ordinance which requires at least fifty percent (50%) sales of tangible items. *"will have and maintain gross sales on the premises of all types of alcoholic liquor in an amount less than the gross sales of all types of tangible items, excluding services and rentals."* He also addressed the proposed language. Descriptive language had been added. Alcohol sales should be incidental to the sale of food. A restaurant liquor license would be tied to the sale of food. *"shall keep a records of all alcohol and food items sold on the premises and shall, within fourteen days of receipt of a written request . . . provide to the City Clerk's office audited statements for the period requested, certified by a licensed accountant, showing the proportion of gross revenues derived from the sales of alcoholic beverages compared to those derived from sales of food. If in any quarter, gross sales of alcoholic beverages exceed gross sales of food for any two months, the restaurant liquor license shall be revoked, or shall not be renewed. . . . shall be issued and renewed only at premises kept, used, maintained, advertised and held out to the public as a place where meals are sold and served and where meals are actually and regularly sold and served to the public. . . . shall have seating available for patrons as well as adequate and sanitary kitchen and dining room equipment, and shall have employed therein a sufficient number and kind of employees to prepare, cook and serve full meals for its guests."*

Mr. Boyle addressed the Stadium, "ST", liquor license which would be similar to the Town of Normal's code. This classification addressed facilities which hosted sporting and music events, i.e. US Cellular Coliseum.

Mr. Boyle also addressed the Entertainment/Recreational Sport Venue, "EA" or "EB", classifications. This classification addressed smaller venues such as theaters, and recreational sports such as golf and bowling. Fifty percent (50%) of sales would be linked to ticket sales, fees for golf, rentals, etc. *"primarily function as an entertainment*

or recreational sports venue in that gross revenues from the sale of admission to entertainment events, or admission fees and/or rental of recreational sport equipment, exceed the gross sales of alcohol."

Commissioner Renner made a suggestion regarding the definition of a restaurant. There were restaurants that turned into taverns after a certain hour. He suggested language such as "kitchens remain open until one (1) hour prior to close". He noted that Commissioner Stockton had raised a similar concern.

Commissioner Renner also stated that some Downtown bar owners raised concerns regarding the definition of Entertainment. He recommended that the word "live" be added to (3)(a) and (4)(a) "that host live musical or theatrical performances, . .": This proposed classification was not intended for dj's (disc jockeys). In addition, under (3)(b) and (4)(b) the word "active" would be added, "active recreational sporting venues". He stressed that video gaming was not included in the definition, see (3)(c) and (4)(c).

Commissioner Renner noted that he had received feedback from Commissioner Stockton, the Downtown Bar Owners Association and Jan Lancaster, owner/operator of Lancaster's located at 513 N. Main St. and the Bistro located at 316 N. Main St.

Mr. Boyle expressed his opinion that Commissioner Renner's suggestions were doable. He noted that there were some concerns that the proposed text amendment did not address business hours. The City could not be all things to all people.

Commissioner Renner expressed his preference that the City stay at a high level. He acknowledged that the Town of Normal's Code specifies hours of operation. He also addressed his commitment to the City's informal moratorium.

Commissioner Jordan stated that the proposed text amendment was self explanatory. Items other than food had been covered.

Jan Lancaster, 316 N. Main St., owner/operator of the Bistro and Lancaster's, addressed the Commission. The Downtown Bar Owners Association was interested in an even playing field. She cited the Castle Theater located at 209 E. Washington St. Daddios located at 527 N. Main St. has bands. She believed that Daddios could apply for an "E" liquor license.

Commissioner Renner expressed his opinion that the Castle Theater and Laugh located at 108 E. Market St. were separate from the Downtown taverns. He added that Laugh was a comedy club. He had visited Daddios with a Downtown police detail. It appeared to be a bar.

Ms. Lancaster believed that the "E" classification would come into play. She also believed that no Downtown liquor license holders were allowed to sell packaged liquor. She also believed that this proposed text amendment, if passed by the Council, would remove all of the conditions placed upon Downtown liquor licenses.

She added her belief that both Cheeks located at 1206 Towanda Ave. and Maguire's located at 220 N. Center St., allow underage persons in their establishments before a certain hour. Both of these businesses hold tavern liquor licenses.

She also cited Gill St. Bar & Grill located at 3002B Gill St. This business had noise restrictions placed upon it.

The Downtown Entertainment Task Force met with the Commission. The Downtown Bar Owners Association wanted to review the license conditions and make recommendations to the Commission.

Mr. Boyle noted that the purpose of the public hearing was to address the proposed text amendment. He recommended that Ms. Lancaster addressed areas of support, opposition, etc.

Ms. Lancaster questioned the Club classification. Tracey Covert, City Clerk, referred to Chapter 6. Alcoholic Beverages, Section 1. Definitions, Club. Clubs were defined as patriotic, veterans, not-for-profit organization and included membership.

Commissioner Renner stated that the new classification was Entertainment.

Mr. Boyle questioned if Ms. Lancaster had any questions, concerns, ideas for improvement for the proposed "E" classification.

Ms. Lancaster acknowledged that the proposed "E" classification would apply to the Castle Theater, Laugh Comedy Club and Bloomington Center for the Performing Arts, located at 600 N. East St. She added that there were a few Downtown restaurants that turned into taverns late at night. Daddios could charge $10 for admission with $1 beers and allow individuals under twenty-one (21) years of age.

Commissioner Renner noted that Daddios would have to be granted an "EA" liquor license for this to occur.

Mr. Boyle noted that Ms. Lancaster had raised a valid concern.

Ms. Lancaster added her opinion that those under twenty-one (21) years of age would be willing to pay a higher cover charge, i.e. $10 - $15.

Commissioner Renner questioned how a liquor establishment would monitor those present who were underage, (i.e. wrist bands).

Ms. Lancaster readdressed a level playing field. Daddios offered live music three (3) nights a week.

Commissioner Renner expressed the City's interest in businesses like the Castle Theater and Laugh Comedy Club. The goal was to diversify the Downtown's entertainment venues.

Ms. Lancaster believed that Carbondale, IL offered an entertainment liquor license which required an additional fee and was based upon occupancy. The City of Champaign offered five (5) different categories of liquor licenses. She believed the easiest system would offer a few license classifications.

Ms. Lancaster also noted other types of locations such as Theaters Cool formerly located at 403 N. Main St. and art galleries during the Downtown's 1st Fridays events. She described these locations at BYOB (Bring Your Own Booze).

Mr. Boyle stated that the proposed text amendment would have no impact upon these venues. If the art galleries were interested in selling alcoholic beverages they could apply for a license.

Ms. Lancaster expressed her concern regarding large BYOB parties/raves. The parties' hosts did not have liquor liability insurance. She also cited restaurants that turn into taverns such as Main St. Grill located at 517 N. Main St.

Commissioner Renner addressed the restaurant classifications. Language could be added that would require that the kitchen remain open until an hour before closing.

Butch Thompson, 2512 Yorktown, property owner of 527 N. Main St., addressed the Commission. He was interested in the finish product and wanted to see the various options.

Ms. Lancaster restated her belief that Daddios would be an "E" establishment and would charge those under twenty-one (21) years old a higher cover charge. She questioned if it was the City's intention to allow those under twenty-one (21) years of age to be in the Downtown taverns.

Commissioner Jordan addressed an even playing field. He expressed his opinion that if someone was not twenty-one (21) years old that entry to an establishment should not be allowed in order to avoid problems. He addressed restaurant versus tavern. A restaurant may allow anyone of any age to be present. Enforcement stressed the availability of food. If the kitchen is allowed to close how can the establishment monitor/control its patrons.

Mr. Thompson expressed his opinion that the most difficult place to control alcohol consumption was at the US Cellular Coliseum located at 101 S. Madison St. He noted the size of the venue. He informed the Commission that at Reality Bites, located at 414 N. Main St., no one under twenty-one (21) is allowed on the premises after 10:00 p.m.

Commissioner Jordan questioned monitoring mixed age groups.

Mr. Thompson addressed a level playing field. At entertainment venues, a higher cover charge would allow better bands to be booked. Higher cover charges would be charged if those under twenty-one (21) years of age would be allowed in the establishment. Commissioner Jordan addressed the issue of balance. A large draw might result in higher profits. He questioned if Mr. Thompson believed that the City should make this option available to all.

Mr. Thompson noted that Elroy's, located at 102 W. Washington St., had the opportunity to change to a Restaurant liquor license but chose not to. He questioned the City's definition of entertainment. He believed that watching football on television was entertainment.

Commissioner Jordan acknowledged that an individual's perception of entertainment could be diverse.

Commissioner Renner believed that the City and Mr. Thompson did not see entertainment the same way. The definition of entertainment was the key.

Mr. Boyle addressed liquor and a level playing field. He noted the historical development of liquor laws which came from Prohibition. Liquor is regulated by the community for the betterment of same. He noted the phrase "in the public interest" which is built around objective standards. Shaping was allowed. The City was trying to strike a balance and be more realistic. He noted that watching television in a sports bar was not included in the definition of entertainment.

Mr. Thompson noted that dj's were not included in the definition of entertainment. He disagreed with same. Dj's were big entertainment.

Commissioner Renner addressed the nature of entertainment.

Mr. Thompson also cited the cost to provide NFL (National Football League) football. In his opinion, this was entertainment.

Commissioner Renner stated that the City provided definitions which drew the lines.

Mr. Boyle requested Mr. Thompson to share his thoughts.

Mr. Thompson believed that the City was closer to something that might work. He agreed with portion of the proposed text amendment. He planned to wait for the results in order to check the fit. He had questions. He cited a different cover charge where those under twenty-one (21) years of age would pay more.

Commissioner Jordan expressed his concern regarding the mixture of those over/under twenty-one (21) years of age. Enforcement would be difficult for all concerned. He noted that Elroy's decided that an "R" liquor license was not worth it. The Commission

would have to look into mixed age venues that at a certain hour change to all present must be over twenty-one (21) years of age.

Mr. Thompson noted that the "E" classification would allow those under twenty-one (21) years of age to be present. He questioned the closing hour.

Mr. Boyle questioned if Mr. Thompson had any thoughts regarding closing hours.

Mr. Thompson believed that entertainment venues would remain open until 2:00 a.m.

Commissioner Jordan believed that there was an issue regarding co-mingling.

Mr. Thompson believed that entertainment establishments should have an earlier closing hour. It should apply to all establishments regardless of location.

Ms. Lancaster readdressed the Commission. If individuals under twenty-one (21) years of age would be allowed in bars which hold an "E" liquor license then she believed that every tavern would apply for/try to qualify for an "E" liquor license. She added that dj's were huge at this time. She cited Bassnectar which recently held an event at the USCC. The benefit of the eighteen to twenty (18 – 20) year old demographic was the ability to charge a higher cover for admission.

Commissioner Jordan understood the profit motive. He addressed other issues such as management.

Ms. Lancaster stated that Champaign allowed individuals from eighteen to twenty (18 – 20) years of age into the taverns. Teens from the area were taking shuttle buses to Champaign. She also noted the mixed age groups at the Castle Theater.

Commissioner Renner expressed his opinion that the Council would oppose an "E" liquor license in the 500/600 blocks of N. Main St. Currently, the Castle Theater held an "R" liquor license but did not serve/sell food. The City needed to take some action. One goal of the proposed text amendment was to level the playing field.

Mr. Thompson stated that the Castle Theater building had been paid for. He had purchased a building and made an investment in the Downtown. He had issues with the Castle Theater.

Commissioner Renner stated that the redevelopment of the Castle Theater was an economic development issue. Investments in the City were not the same.

Mr. Boyle addressed the effect of a liquor license upon a neighborhood, criteria (b)(5). He read from the City Code, (see Chapter 6. Alcoholic Beverages, Section 4B. Creation of New Licenses - Findings). The City had the authority to differentiate based upon location.

Commissioner Jordan readdressed co-mingling those over/under twenty-one (21) years of age. The City had to determine what to adopt and how to enforce same. The Commission had solicited input from those who operated a licensed establishment. He was interested in the best avenue to resolve some of the Downtown's challenges. Youth will come to the Downtown intent on drinking. He did not believe that the end result would be a level playing field.

Clay Wheeler, Asst. Police Chief, addressed the Commission. The Police Department was not the policy maker. There was a cost to enforcement. He expressed his concern regarding mixing those under twenty-one (21) years of age with those over twenty-one (21). He also expressed his concern regarding additional people in the Downtown. He stressed peak periods, Thursday, Friday and Saturday nights. The presence of underage individuals would result in additional issues. The tavern owners would responsible for any drink sharing amongst patrons. He did not consider the City of Champaign's approach as a success. Champaign's business district was isolated. There were no residential properties or other types of businesses. Their enforcement detail was paid for with revenue from ordinance violations. If the City were to allow underage persons to be present in Downtown taverns then additional staff and resources would be needed.

Commissioner Renner stated that it was not the City's intention to bring eighteen to twenty (18 – 20) year olds into the Downtown taverns.

Asst. Chief Wheeler added that cover charges paid for the bands. Allowing underage persons to be present would require additional changes to the definitions. There were taverns that offered live entertainment. He did not view this the same as a ticketed performance. Ticketed performances generally included some type of seating. Individuals visiting the Downtown's taverns were intent on drinking.

Commissioner Renner expressed his hope for additional economic development in the Downtown. He believed that it would bring more venues like the Castle Theater and/or Laugh Comedy Club. He added that those licensed establishments with conditions would remain the same.

Asst. Chief Wheeler noted that in the past the Commission often would not grant a liquor license without conditions. The liquor applicant was willing to accept same in order to obtain the liquor license. He hoped that the Commission would no longer be granting liquor licenses with conditions.

Commissioner Jordan noted his years of experience. He believed that it was hard to compare communities. The City needed to decide what it was willing to tolerate. He cited his belief that the City should not allow anyone under twenty-one (21) to be present in taverns. This would be of assistance to the liquor license holder/business owner and law enforcement.

Mr. Boyle presented three (3) ways to limit the presence of those under twenty-one (21) years old: 1.) provide some segregation based upon age: over/under twenty-one (21); 2.)

increase/change the percentage of sales from alcohol; and 3.) alcohol sales should incidental to the provision of entertainment, i.e. the main item provided would not be alcohol.

Commissioner Jordan questioned the percentage of eighteen to twenty (18 – 20) year olds in the Downtown. Asst. Chief Wheeler stated hardly any. Commissioner Jordan noted that by a large percentage individuals in the Downtown were over twenty-one (21) years of age.

Ms. Lancaster stated that legally individuals must be at least twenty-one (21) years old to be in a tavern. She added that anyone was allowed in the Castle Theater and USCC.

Commissioner Renner believed that the Commission had received concrete suggestions to tighten the definition of the "E" classification. He cited segregation by age, change the percentage of alcohol sales, and/or liquor sales must be incidental.

Commissioner Jordan believed that the number of entertainment establishments were minimal. The issues may be the same for all. He noted the size of the college student population. He added his belief that there were underage persons present in the Downtown taverns.

Asst. Chief Wheeler expressed his concern that all of the Downtown taverns would want to convert to an "E" liquor license. The numbers could triple. He added that various age groups have contributed to Downtown issues.

Commissioner Renner made note of the public testimony. The Commission needed to move forward. He recommended the following amendments to the proposed text amendment:

Section 7A. Classification, (3)(a) and (4)(a): add the word "live", i.e. . . host live musical . .

Section 7A. Classification, (15) and (16): add that food must be served until one (1) hour before closing.

Section 7A. Classification, (3) and (4): added that liquor sales shall be incidental to the business.

Commissioner Jordan addressed liquor sales and the different atmosphere of an entertainment venue.

Mr. Thompson restated his belief that entertainment was more than live music. He questioned if the proposed text amendment would be applied city wide.

Commissioner Jordan believed that there would be challenges to sort out from an enforcement aspect. In the long run, the proposed text amendment provided the licensee with protection.

Ms. Lancaster readdress her belief that Maguire's and Cheeks allowed underage persons until 9:00 p.m. She cited the Town of Normal's practice that in all licensed establishments individuals must be twenty-one (21) years of age or older to be present after 10:00 p.m.

Commissioner Renner questioned the City mimicking Normal's code. Mr. Boyle noted that Normal set hours of operation for all kitchens.

Ms. Lancaster added that this could be presented as a choice.

Commissioner Renner restated the suggested changes to the proposed text amendment, (the addition of the word live, the kitchen remaining open for restaurants, liquor sales being incidental, require some segregation). This item would appear on the Commission's December 10, 2013 meeting agenda. He hoped to place this item on the Council's December 16, 2013 meeting agenda. He noted that the year end was approaching.

There being no further business the meeting adjourned at 5:20 p.m.

Respectfully submitted,

Tracey Covert
City Clerk