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Memorandum

DATE: May 9, 2007
TO: The Urbana City Council
Cc: Mayor Prussing
FROM: Jack Waaler
RE: New Liquor Licenses

Attached are two ordinances amending the alcoholic liquor chapter to create two new license categories.

The University-Related Organization (URO) license is needed to accommodate the new Alumni Center. Their operation focuses on alumni events and requires the broad range of liquor options that our Class A License provides, however, neither the Alumni Association nor the City want such license to allow the sale of package liquor which is automatically part of the Class A License, so the URO License is tailored to mirror the Class A License without the package liquor sales.

With respect to the caterer's license, until now the City has taken an informal approach to serving liquor at catered events. We have seldom had any problems. Lately, however, we have become concerned with the possible abuses of our informal approach and decided to formalize our rules about serving alcoholic beverages at catered events.

The caterer license (CA) is crafted to recognize that two different types of businesses could be involved in catering: (1) where the only business is food catering ("bona fide caterer"); and (2) an existing license holder who wants to also handle catering events. The fees for each type of license are set differently in Section 14-7 of the Code.

Also, we did not want to require a truly private, non-catering gathering to require a license if no liquor is being sold, either directly or indirectly, such as by charging a "door charge". We shall continue to regard events which have such indirect sales as requiring a regular license. Thus, only catered events where the caterer provides the alcoholic beverages require a CA license.

The provisions requiring the caterer to mark all alcoholic beverage containers in some unique manner is intended to provide a means to control the problems associated with those persons who “bring in your own bottle”. Thus, the ordinance establishing the CA license makes possession of a container of alcoholic beverages that was not provided by the caterer a violation of the ordinance.

The fees for the licenses are established in a separate ordinance amending Section 14-7 of the City Code.

This Ordinance:
AMENDS the Code of Ordinances.

ORDINANCE NO.2007-05-042

**AN ORDINANCE ESTABLISHING A CLASS CA CATERER'S RETAIL LIQUOR
LICENSE**

WHEREAS,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That Section 3-41 of the Code of Ordinances of the City of Urbana is amended to create a new license classification, Class CA Caterer's Retail Liquor License. Section 3-41 of the Urbana City Code is hereby amended to add a Subsection (m) to read as follows:

(m) Caterer Licensee, CA

1. There shall be two classes of caterer's liquor licenses:

(i) Existing liquor license holders and (ii) the caterer that does not hold any liquor license other than the caterer's liquor license.

2. Existing liquor license holders may acquire a CA license as an additional license which shall permit them to sell alcoholic beverages only as allowed in their primary liquor license at a catering location. Fees for such licenses shall be as set forth in Section 14-7.

3. A bonafide caterer that has been issued an Illinois Department of Revenue Sales Tax number may acquire a CA license which shall permit them to sell any alcoholic beverages at a catering location. Fees for such license shall be as set forth in Section 14-7.

4. Applicants and holders of a CA license must comply with all other requirements for license applications and licensed premises in this Chapter.

5. The CA license shall permit the sale of alcohol beverages at the catering location. The catering location is defined as a location which is not open to the general public where, pursuant to an agreement with an event sponsor, the licensee is providing prepared food for serving at private parties, such as wedding receptions or other similar events.

6. No person shall possess alcoholic beverages other than those provided by the licensee on the premises of the catering location.

7. Possession of alcoholic beverages other than that served by the caterer at the catering location is not allowed and such is in violation of this ordinance.

8. Alcoholic beverages to be served by the caterer shall be marked in a unique manner to identify such as alcoholic beverages provided by the caterer.

9. Gross revenues from the sale of alcoholic liquor at any event catered by a Class CA licensee shall not exceed forty percent (40%) of the total gross revenues generated from the sale of alcohol and food at that event.

10. A Class CA licensee shall submit an affidavit on a quarterly basis on a form provided by the Liquor Commissioner certifying compliance with this requirement.

11. If the Class CA licensee has entered into a contract with another individual or entity for the service of food at the catered event, the copy of the contract shall be available for inspection on the premises of the catered event during the event.

12. No event catered by a Class CA licensee shall exceed seventy-two 72 hours in length, nor shall alcoholic liquor be served at any catered event for more than eight (8) consecutive hours.

Section 2. The City Clerk is directed to publish this Ordinance in pamphlet form by authority of the corporate authorities, and this Ordinance shall be in full force and effect from and after its passage and publication in accordance with Section 1-2-4 of the Illinois Municipal Code.

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a meeting of said Council.

PASSED by the City Council this ____ day of _____, _____.

AYES:

NAYS:

ABSTAINED:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this ____ day of _____, _____.

Laurel L. Prussing, Mayor

CERTIFICATE OF PUBLICATION IN PAMPHLET FORM

I, Phyllis Clark, certify that I am the duly elected and acting Municipal Clerk of the City of Urbana, Champaign County, Illinois.

I certify that on the _____ day of _____, _____, the corporate authorities of the City of Urbana passed and approved Ordinance No. _____, entitled AN ORDINANCE ESTABLISHING A CLASS CA CATERER'S RETAIL LIQUOR LICENSE, which provided by its terms that it should be published in pamphlet form.

The pamphlet form of the Ordinance was prepared, and a copy of such Ordinance was posted in the Urbana City Building commencing on the _____ day of _____, _____, and continuing for at least ten (10) days thereafter. Copies of such Ordinance were also available for public inspection upon request at the Office of the City Clerk.

DATED at Urbana, Illinois, this _____ day of _____, _____.

(SEAL)

Phyllis Clark, CITY CLERK