



LEGAL DIVISION
(217) 384-2464
FAX: (217) 384-2460

RONALD D. O'NEAL, JR.
City Attorney
rdoneal@city.urbana.il.us

CURT BORMAN
Assistant City Attorney
E-mail : csborman@city.urbana.il.us

MICHELLE E. BROOKS
Assistant City Attorney
E-mail mebrooks@city.urbana.il.us

JACK WAALER
Special Counsel
jwaaler@city.urbana.il.us

Memorandum

TO: Mayor Laurel Lunt Prussing and Members of the City Council

FROM: Ronald O'Neal, Jr., City Attorney

DATE: July 23, 2009

RE: Temporary Liquor Licenses (T1) – Ordinance amending liquor code

Per staff discussions regarding the issuance of temporary liquor licenses (T1) for special events held by permanent license holders (e.g. Class AA, A, etc.), attached are drafted amendments to the liquor code that increase the number T1 licenses that may be issued in a calendar month to two and the total number allowed per calendar year to ten. The impetus for these amendments is the desire of local bar owners to be able to offer more outdoor entertainment special events than currently possible under the present ordinance. Currently, license holders are allowed only one T1 license per calendar month and a total of three per calendar year. It is the view of at least one bar owner that these current limits are a hindrance to business development in the downtown business district.

Additionally, there is apparent confusion over what the term “serve” means as it is used in the language regarding “T” licenses. The question is whether a license holder “serves” a patron when that patron purchases an alcoholic drink within the licensed establishment and carries into the area of the special event (i.e. the fenced in area adjacent to the licensed establishment). Some may have interpreted “serve” as *only* the selling that takes place within the bar. Put another way, that notion is the belief that patrons are not being served in the special event area if they actually paid for the alcoholic beverage in the licensed establishment and carried outdoors to the special event area. The Legal Division staff has interpreted “serve” in a broader fashion, as to do otherwise would allow establishments to avoid application of a T1 license by merely *not*

taking payment for the beverages outside of their four walls. To clear up any ambiguity, attached also is an amended Article I of the liquor ordinance to include a definition of “serve”. That definition includes selling, providing or *allowing the possession or consumption* of alcoholic liquors at the site of the special event.

It is recommended that **AN ORDINANCE AMENDING CHAPTER 3
(ALCOHOLIC LIQUORS),
ARTICLE I (SECTION 3-1) AND ARTICLE III (SECTION 3-42)
OF THE CODE OF ORDINANCES
(NUMBER OF T1 LICENSES PER LICENSE HOLDER PER YEAR)** be approved.

**AN ORDINANCE AMENDING CHAPTER 3 (ALCOHOLIC LIQUORS),
ARTICLE I (SECTION 3-1) AND ARTICLE III (SECTION 3-42)
OF THE CODE OF ORDINANCES
(NUMBER OF T1 LICENSES PER LICENSE HOLDER PER YEAR)**

WHEREAS, the City of Urbana (hereinafter “City”), an Illinois municipal corporation, has a population of more than 25,000 and is a home rule unit pursuant to Article 7, §6 of the Constitution of the State of Illinois and 65 ILCS 5/1-1-10; and

WHEREAS, the City has an interest in protecting the community through the orderly administration of its alcoholic liquor ordinance; and

WHEREAS, from time to time it is necessary for the City to amend its liquor ordinance to benefit the community and its local businesses;

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Urbana that Chapter 3 of the Code of Ordinances is hereby amended as follows:

Section One.

The following definition shall be added to Article I, §3-1:

Serve. As used in this Chapter, “serve” shall include selling, providing, or allowing the possession and/or consumption of alcoholic liquor on the licensed premises or the site of a special event in the event a temporary license is issued.

Section Two.

Article III, §3-42 shall be amended as follows:

Sec. 3-42. Class T licenses.

There shall be two (2) categories of Class T licenses:

T-1 (8-hour special event--current licensee)

T-2 (civic or charitable organization)

(a) T-1 license (eight-hour special event--current licensee). Any license holder may obtain a special one-day, eight-hour license which shall permit and allow such license holder to serve alcoholic drinks in an enclosed area immediately

adjacent and adjoining and opening onto the premises described in the then current license application on file for the license, provided the licensee submits an application therefore in the manner provided by ordinance fourteen (14) days prior to the date for which the special license shall be used. The T-1 license application shall contain:

(1) A statement of the hours during which liquor is to be sold, provided the hours shall not exceed eight (8) full hours; and provided, however, such hours must not be before or after the hours when liquor might otherwise be sold under section 3-3.

(2) Describe with reasonable certainty the boundary of the adjacent premises where such liquor shall be sold.

(3) The written consent of the owner of such adjacent premises shall be attached to the application. The written consent shall be dated not more than thirty (30) days prior to the application.

(4) Proof of dram shop insurance covering the premises to be utilized with the T-1 license.

No more than ~~one (1)~~ two (2) such licenses shall be issued to any license holder in any one (1) calendar month, nor more than ~~three (3)~~ ten (10) in a calendar year. The special license, if issued, shall not in any manner be regarded to relieve the license holder of complying with any other requirement of law.