

March 25, 2019

To: Urbana City Council Members William Brown, Dean Hazen, Shirese Hursey, Eric Jakobsson, Jared Miller, Dennis Roberts and Maryalice Wu

From: Diane Wolfe Marlin

Re: Suspension of Processing and Granting Applications for Class G-1 Liquor Licenses

After much reflection, I believe it is in the best interest of the community to bring an ordinance to Committee of the Whole that directs me, as the Local Liquor Control Commissioner, to suspend acceptance and processing of applications for Class G-1 liquor licenses until we complete the overall review and update of our Liquor Ordinance. The G-1 liquor licenses are for gaming terminals in established businesses.

The City's current liquor code and state law did not foresee or contemplate grocery stores, liquor stores, and other venues applying for "pour" liquor licenses such as the City's Class A, B, and BB liquor licenses as a means for placing gaming terminals on their premises. I believe this suspension is required to give the City time to make long-overdue updates to our liquor code and to clarify what is best for the community related to video gaming. We expect the liquor code revisions to take several months.

The suspension would not affect establishments that already possess a G-1 license or applications for any other class of liquor license, including G-2.

I would appreciate your support for this ordinance. I believe it is important for the Mayor/City Council to jointly take this action.

ORDINANCE NO. 2019-03-023

**SUSPENSION OF PROCESSING AND GRANTING
APPLICATIONS FOR CLASS G-1 LIQUOR LICENSES**

WHEREAS, the City of Urbana (“City”) is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution, 1970, and may exercise any power and perform any function pertaining to its government and affairs, including the power to regulate for the protection of the public health, safety, and welfare; and

WHEREAS, Section 4-1 of the Liquor Control Act of 1934, 235 ILCS 5/4-1, gives the city council in every city the power by general ordinance or resolution to establish such regulations and restrictions upon the issuance of and operations under local liquor licenses not inconsistent with law as the public good and convenience may require; and

WHEREAS, pursuant to the Liquor Control Act of 1939 (235 ILCS 5/4-2) (the “Act”) and the Urbana City Code (UCC Sec. 3.2(a)) (the “Liquor Ordinance”), the Mayor, as Local Liquor Control Commissioner, is charged with administration and enforcement of the Act and the City’s Liquor Ordinance; and

WHEREAS, the City Council heretofore enacted Urbana City Code Chapter 3 that provides, *inter alia*, for the regulation and licensing of establishments that sell, offer for sale, serve, or offer to serve alcoholic liquor in open containers and/or original package form for consumption on and/or off the premises of the licensed establishment; and

WHEREAS, the City Council heretofore enacted Urbana City Code Section 3-41 to designate certain classifications of local liquor licenses and to regulate said licenses; and

WHEREAS, the City Council heretofore enacted Urbana City Code Section 3-43 to limit the number of liquor licenses issued in the City; and

WHEREAS, the City Council heretofore enacted Urbana City Code Chapter 3.7 to regulate the operation of amusement devices, including video gambling terminals, in the City; and

WHEREAS, the City Council heretofore enacted Urbana City Code Section 3-41(p) that provides for the creation and possible issuance of a Class G-1 license that, if granted, allows establishments that already possess another class of liquor license which permits the license holder to draw, pour, mix, or otherwise serve alcoholic liquor for consumption on the premises to apply for the Class G-1 liquor license in order to make video gambling terminals available to patrons of the license holder; and

WHEREAS, at the time the City Council enacted Urbana City Code Section 3-41(p) that created the Class G-1 liquor license, the City Council expressed concern about the proliferation of gambling and its potential detrimental impact upon the health, safety, and welfare of the City's residents and visitors; and

WHEREAS, the City Council remains concerned about the proliferation of gambling and its potential detrimental impact upon the health, safety, and welfare of the City's residents and visitors; and

WHEREAS, the City Council finds that there remains the need to regulate the number, locations, and activities of where video gambling is allowed to occur within the City; and

WHEREAS, the City is beginning the process of reviewing and possibly amending its current alcoholic liquors ordinance (UCC Ch. 3); and

WHEREAS, the City Council finds that it is in the best interests of the City to temporarily suspend the acceptance and processing of applications for Class G-1 liquor licenses until the City has completed its review of its current alcoholic liquors ordinance and made any amendments thereto, if any, that the City Council deems appropriate; and

WHEREAS, the City Council recognizes that the issuance of any City liquor license constitutes a privilege to serve, offer to serve, sell, or offer to sell alcoholic liquor consistent with the class of license issued to the license holder.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Urbana, Champaign County, Illinois, as follows:

Section 1.

Effective immediately, notwithstanding Urbana City Code Section 3-42(p), the City Council hereby directs the Mayor, as the City of Urbana Local Liquor Control Commissioner, to suspend the acceptance and processing of applications for Class G-1 liquor licenses and to refrain from the issuance of any Class G-1 liquor license until further directed otherwise by the City Council.

Section 2.

Notwithstanding anything to the contrary that may be contained in Section 1 of this Ordinance, establishments that possess a Class G-1 liquor license as of the date this Ordinance is adopted shall be able to retain such license.

Section 3.

Those sections, paragraphs, and provisions of the Urbana City Code that are not expressly amended, repealed, or stayed by this Ordinance are hereby re-enacted, and it is expressly declared to be the intention of this Ordinance not to repeal or amend any portions of the Urbana City Code other than those expressly set forth as amended or repealed in this Ordinance. The invalidity of any section or provision of this Ordinance hereby passed and approved shall not invalidate other sections or provisions thereof.

Section 4.

This Ordinance shall not be construed to affect any suit or proceeding pending in any court, or any rights acquired, or a liability incurred, or any cause or causes of action acquired or existing prior to the effective date of this Ordinance; nor shall any right or remedy of any character be lost, impaired, or affected by this Ordinance.

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:

ABSTENTIONS:

Charles A. Smyth, City Clerk

APPROVED BY THE MAYOR this ____ day of _____, _____.

Diane Wolfe Marlin, Mayor