

#### CITY OF URBANA, ILLINOIS FINANCE DEPARTMENT

#### MEMORANDUM

TO:

Mayor Marlin and City Council Members

FROM:

Elizabeth Beaty, Administrative Services Manager

Elizabeth Hannan, Finance Director

DATE:

April 20, 2020

SUBJECT: Proposed Liquor License Fee Schedule

**Introduction:** Attached is the proposed liquor license fee schedule for fiscal year 2020/2021, as shown in **Exhibit A**. No council action is required at this time except to forward the schedule to the City Council meeting on May 26, 2020 for action then.

The Urbana City Code requires revisions to the Schedule of Fees be reviewed by the City Council and put on file with the City Clerk's Office at least thirty (30) days prior to final action by the City Council. During that time, the Schedule of Fees is available for public inspection and comment at the City Clerk's Office and on our website. A notice that the schedule is available for review is published in the News-Gazette.

In light of financial concerns affecting Urbana residents, business owners, and customers in connection to COVID-19, staff will postpone fee increases to other licenses, permits, and service fees at this time. Changes to liquor license fees is necessary in order to accommodate recent revisions to the Urbana City Code Chapter 3 – Alcoholic Liquors.

**Discussion:** On February 24, 2020, City Council approved Ordinance No. 2020-02-005 consolidating twenty-seven (27) classes of liquor licenses to twenty (20) classes of liquor licenses and eight (8) optional rider classifications. The revisions offer continued compliance with Illinois Liquor Control Commission rules and regulations, language clarification, consistent code compliance and enforcement, as well as opportunities for future Urbana businesses. The Ordinance referenced above takes effect July 1, 2020.

Changes to subsection (A), "Liquor Licenses" in the current Schedule of Fees is being completely replaced by the proposed version marked **Exhibit A** attached to the Ordinance. A comparison table consistent with the recent revisions to Chapter 3 – Alcoholic Liquors, shows the current liquor license fees and the proposed new fees side-by-side in **Attachment A**.

For example, a business owner who currently holds a Class A liquor license and a Class G-1 liquor license would pay \$5,834 for the license fees. The two licenses allow the business to sell alcoholic liquor on or off premise (package), and have video gambling. Under the proposed fee schedule, the same business owner would hold a Class A liquor license and could apply for a video gaming rider, as well as a package liquor rider. The licensee would pay \$4,000 for the Class A license and \$500 for the video gaming rider. The licensee would also have the option to apply for and purchase a package liquor rider for an additional \$250. The proposed fee schedule will save the licensee between \$1,084 and \$1,334 per year.

Another example would be a grocery store or gas station holding a current Class BBB or Class C liquor license. For \$3,643, a Class BBB license holder can sell beer and wine only in package form. A Class C license holder can sell alcoholic liquor in package form for \$5,198. The proposed fee schedule would cost both license holders \$3,750 to hold a Class P liquor license. For the Class BBB license holder, this is an increase of \$107 per year. For the Class C license holder, this is a decrease of \$1,448 per year. There are currently three (3) Class BBB license holders and twenty-four (24) Class C license holders.

Lastly, the revisions to Chapter 3 – Alcoholic Liquors included five (5) new license classifications not currently offered. A Class BYOB-R, gives restaurants without a City-issued liquor license the opportunity to allow alcoholic liquor to be brought onto the premises for \$1,000 per year. For current restaurant license holders who have minimal alcoholic liquor sales, such as those who currently hold a Class BB or Class R-2 liquor license, the proposed fee for a Class BYOB-R will save the licensee \$1,865 per year.

License Classification	Description	Proposed Fee
CLASS BYOB-R	Restaurant Allowing BYOB	\$1,000
CLASS CS	Complimentary Service	\$500
CLASS FM	Farmers Market	\$250
CLASS TH	Theatre	\$1,000
CLASS INC	Incubator	\$2,000

For the past three (3) years, liquor license fees have not increased. The proposed fee schedule is not a "one size fits all" approach. The goal is to offer current and future Urbana businesses a more custom fit license at a competitive price. Additionally, the revisions to Chapter 3 – Alcoholic Liquors continue to offer businesses the option to pay all license and rider fees, excluding Class TEMP licenses annually or semi-annually.

**Fiscal Impact:** Liquor license revenue is budgeted at \$482,500 in the General Operating Fund for FY2020. The proposed schedule will decrease revenues by about \$80,000 in FY2021. The new fees will take effect July 1, 2020.

**Recommendation:** Staff recommends one of the following:

- 1. Revise one or more items and forward the amended fee schedule to the City Council meeting on May 26, 2020 for action then; or
- 2. Send the fee schedule to the City Council meeting on May 26, 2020 for action then.

	Current Classification	Current Fee	New Classification	Proposed Fee	Available Rider Classifications	Proposed Rider Fees	Comments
1	Class A (Alcoholic Liquor – On or Off Premise w/Package)	\$5,329	Class A (Alcoholic Liquor – On Premise)	\$4,000 or \$3,000 Beer & Wine Only	Available Riders:	\$250 \$350 No Charge \$250 \$500	
2	Class AA (Hotel/Motel – On or Off Premise w/Package)	\$5,329	Class H (Hotel bars – On Premise)	\$4,000	Available Riders:	\$350 \$500 No Charge \$500	
3	Class AA-1 (Add'l Hotel/Motel Location/Must Hold Class AA)	\$3,112, plus \$5,329	Class H (Hotel bars – On Premise Only)	\$4,000	Available Riders:	\$350 \$500 No Charge \$500	
4	Class B (Beer Only – On or Off Premise)	\$2,865	Class MB-2 (Micro-Brewery – Alcoholic Liquor On Premise); or Class P (Package – Off Premise)	\$3,000 \$3,750	Available Riders: Class MB - 2 Catering Outdoor Café Pick-up & Delivery Video Gaming Class P Grocery Café Pick-up & Delivery	\$350 No Charge \$500 \$500 \$500	The change affects 2 license holders who currently hold a Class B license.  One license will increase by \$54 per year and the other by \$885 per year.

	Current Classification	Current Fee	New Classification	Proposed Fee	Available Rider Classifications	Proposed Rider Fees	Comments
5	Class BB (Beer & Wine Only – On or Off Premise)	\$2,865	Class A (Alcoholic Liquor – On Premise); or  Class P (Package – Off Premise); or  R&T-2 (Restaurant & Tavern – Beer & Wine Only On Premise)	\$3,000 Beer & Wine Only \$3,750 \$3,000	Available Riders:  Class A  All Ages Live Performance Event  Catering  Outdoor Café  Package  Video Gaming Class P  Grocery Café  Pick-up & Delivery Class R&T-2  Catering  Outdoor Café  Package  Video Gaming	\$250 \$350 No Charge \$250 \$500 \$500 \$500 \$350 No Charge \$250 \$500	The change affects 6 license holders who currently hold a Class BB license.  Licenses will increase by \$84, \$105, (2) \$135, \$885 and \$1,385 per year.
6	Class BBB (Beer & Wine Package Only)	\$3,643	Class P (Package – Off Premise)	\$3,750	Available Riders:      Grocery Café     Pick-up & Delivery	\$500 \$500	The change affects 3 license holders who currently hold a Class BBB license.
7	Class BW (Sidewalk Café)	\$46 New \$30 Renew	None	None	Available Rider:  Outdoor Café	No Charge	
8	Class C (Package – Off Premise)	\$5,198	Class P (Package – Off Premise)	\$3,750	Available Riders:      Grocery Café     Pick-up & Delivery	\$500 \$500	
9	Class CA1 (Caterer's Retail – Additional Site)	\$953	None	None	Available Rider:  • Catering	\$350	
10	Class CA2 (Caterer's Retail – Consumption at Catering Location Only)	\$1,429	Class CA (Caterers Retail – Consumption at Events Not Publicly Advertised/Close of to General Public)	\$1,500	N/A	N/A	No available riders.  The change will affect 2 license holders who currently hold a Class CA2 license.

	Current Classification	Current Fee	New Classification	Proposed Fee	Available Rider Classifications	Proposed Rider Fees	Comments
11	Class D (Club – Members Only)	\$3,112	None	None	N/A	N/A	No current license holders. No available riders.
12	Class GC (Golf Course)	\$5,496	Class GC (Golf Course)	\$5,000	Available Riders:  • Video Gaming	\$500	
13	Class HL (Hotel/Motel Limited)	\$1,429	Class H (Hotel bars – On Premise)	\$4,000	Available Riders:	\$350 \$500 No Charge \$500	No current license holders.
14	Class HB (Hotel/Motel Banquet/Must Hold Class HL)	\$953, plus \$1,429	Class H (Hotel bars – On Premise)	\$4,000	Available Riders:	\$350 \$500 No Charge \$500	No current license holders.
15	Class N (Retirement Communities)	\$3,112	Class N (Retirement Community)	\$3,000	N/A	N/A	No available riders.
16	Class R-1 (Restaurant – Alcoholic Liquor On Premise)	\$3,958	Class R&T-1 (Restaurant & Tavern – Alcoholic Liquor On Premise)	\$3,500	Available Riders:	\$350 No Charge \$250 \$500	
17	Class R-2 (Restaurant – Beer & Wine Only On Premise)	\$2,865	Class R&T-2 (Restaurant & Tavern – Beer & Wine Only On Premise)	\$3,000	Available Riders:	\$350 No Charge \$250 \$500	The change will affect 9 license holders who currently hold a Class R-2.

**ATTACHMENT A** 

	Current Classification	Current Fee	New Classification	Proposed Fee	Available Rider Classifications	Proposed Rider Fees	Comments
18	Class T-1 (Temporary – Current License Holder)	\$91	Class TEMP-C (Temporary – Current License Holder)	\$90			
	Class T-2 (Temporary – Not-for-Profit)	\$91	Class TEMP-N (Temporary – Non Liquor License Holders)	\$90	N/A	N/A	No available riders.
	Class T-3 (Temporary Event – For-Profit Festival Promoter)	\$154 - 1 <sup>st</sup> day, plus \$52 ea add'l day	Class TEMP-N (Temporary – Non Liquor License Holders	\$90			
	Class T-4 (Temporary Winetasting & Packaged Sales)	\$52 per event, plus \$15 ea add'l day	Class TEMP-N (Temporary – Non Liquor License Holders	\$90			
19	Class URO (University Related Organization)	\$3,112	Class URO (University Related Organization)	\$3,000	Available Riders:  • Outdoor Cafe	No Charge	
20	Class G-1 (Video Gambling – Excluding Gaming Halls)	\$505	None	None	Available Rider:  • Video Gaming	\$500	
21	Class G-2 (Video Gambling – Gaming Halls)	\$5,834	Class GH (Gaming Hall)	\$5,500	N/A	N/A	No riders available.
22	Class MB-1 (Microbrewery – Manufacture, Store, Inventory, and Sell to Other Liquor License Holders)	\$505	Class MB-1 (Micro-Brewery - Manufacture, Sale and Storage and Sale to Other Liquor License Holders)	\$1,500	N/A	N/A	No current license holders.  No riders available.

**ATTACHMENT A** 

	Current Classification	Current Fee	New Classification	Proposed Fee	Available Rider Classifications	Proposed Rider Fees	Comments
23	Class MB-2 (Microbrewery – Manufacture, Store, Inventory, and Sell to Other Liquor License Holders and General Public/Must Hold Other Liquor License)	\$51	Class MB-2 (Micro-Brewery – Manufacture, Sale and Storage and Sale to Other Liquor License Holders and Sale Other Persons Manufactured Alcoholic Liquor On or Off Premises)	\$3,000	Available Riders:	\$350 No Charge \$500 \$500	The change will affect 2 license holders who currently hold a Class MB-2 license.  Licenses will increase by \$54 and \$84 per year.
24	Class PB-1 (Pedal Buses)	\$50	Class PB ( <b>Pedal Bus</b> )	\$500	N/A	N/A	No current license holders. No riders available.

#### ORDINANCE NO. 2020-04-022

### AN ORDINANCE AMENDING URBANA CITY CODE CHAPTER 14, SECTION 14-7, REGARDING SCHEDULE OF FEES SUBSECTION A – "LIQUOR LICENSES"

(July 1, 2020 through June 30, 2021)

**WHEREAS**, a written copy of the proposed fiscal year 2020–2021 Schedule of Fees for the various licenses, permits, fines, and other fees required under the Urbana City Code was filed with the City Clerk at least 30 days prior to this date; and

**WHEREAS**, the City Clerk has mailed a copy of such proposed schedule to each member of the City Council, has made such schedule available for public inspection or copying, and has given notice of the availability of such proposed schedule for inspection by publication of a notice of such in a newspaper of general circulation in the City at least 14 days prior to this date.

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

#### Section 1.

Urbana City Code Chapter 14, "Licenses and Permits," Section 14-7, "Schedule of fees," subsection (A), "Liquor Licenses," is hereby amended as set forth in Exhibit "A," which is attached hereto and incorporated herein by reference:

#### Section 2.

Those sections, paragraphs, and provisions of the Urbana City Code that are not expressly amended or repealed 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 3.

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.

#### Section 4.

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 on and after July 1, 2020.

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	ot
AYES:	
NAYS:	
ABSTENTIONS:	
	Charles A. Smyth, City Clerk
<b>APPROVED BY THE MAYOR</b> this day of	
	Diane Wolfe Marlin, Mayor

LICENSE CLASSIFICATION	DESCRIPTION	PROPOSED FEE	AVAILABLE RIDERS
CLASS A (RETAILER'S ON-PREMISES)	This license permits the sale and service of all alcoholic liquor by the drink or in the original package form for consumption only on the premises where sold. These licenses are for those establishments that operate primarily as a bar.	\$4,000 \$3,000 for Beer and/or Wine Only	All ages live performance event, catering, outdoor café, package, and video gaming
CLASS BYOB-R (RESTAURANT ALLOWING BYOB)	This license permits alcoholic liquor to be brought onto the premises of a restaurant by a patron who is age twenty-one (21) years or older where the restaurant does not otherwise possess a city-issued liquor license.	\$1,000	
CLASS CA (CATERERS RETAIL)	This license permits the sale or service of all alcoholic liquor of any type by a caterer in conjunction with the sale of prepared food for service at events that are not publicly advertised and that are not open to the general public at locations other than the premises leased, owned, or otherwise occupied or operated by the licensee.	\$1,500	
CLASS CS (COMPLIMENTARY SERVICE)	This license authorizes Class CS license holders to serve alcoholic liquor, without charge, to the licensee's customers who are age twenty-one (21) years or older for consumption on the premises of a business that is not a restaurant and that does not otherwise possess a city-issued liquor license.	\$500	
<b>CLASS FM</b> (FARMERS MARKET)	This license authorizes Class FM license holders to conduct the retail sale of beer and wine in its original package form, for consumption off-premises, at a farmers market.	\$250	

LICENSE CLASSIFICATION	DESCRIPTION	PROPOSED FEE	AVAILABLE RIDERS
CLASS GC (GOLF COURSE)	This license permits the sale and service of all alcoholic liquor by the drink or in original package form for consumption only at the clubhouse and snack bars or refreshment stands located in and about the defined golf course area, and from mobile carts operated in and about the golf course area.	\$5,000	Video gaming
CLASS GH (GAMING HALL)	This license permits the gaming hall the sale and service of all alcoholic liquor by the drink or in original package form for on-premises consumption only where video gaming terminals (VGT) are or will be displayed for play or operation.	\$5,500, plus \$1,080 permit fee per VGT (up to 5)	
CLASS H (HOTEL)	This license permits the sale and service of all alcoholic liquor by the drink or in original package form for on hotel premises consumption only (not to include any restaurant at the hotel location). These licenses are for hotel bars.	\$4,000	Catering, hotel restaurant, outdoor café, and video gaming
CLASS MB-1 (MICRO-BREWERY)	This license permits the manufacture, sale and storage of beer, ale, wine, and fruit- or malt-based alcoholic beverages on the premises in certain quantities. This license also permits selling to other licensees that are licensed to sell at retail.	\$1,500	

LICENSE CLASSIFICATION	DESCRIPTION	PROPOSED FEE	AVAILABLE RIDERS
CLASS MB-2 (MICRO-BREWERY)	In addition to the provisions permitted in the Class MB-1 license, the MB-2 license permits the sale and service of the licensee's alcoholic beverages and alcoholic liquor manufactured by other persons for consumption on or off the premises.	\$3,000	Catering, outdoor café, pick-up and delivery, video gaming
CLASS N (RETIREMENT COMMUNITY)	This license permits a bona fide retirement community the sale and service of alcoholic liquor by the drink or in original package form for on-premises consumption only.	\$3,000	
CLASS P (PACKAGE RETAILER'S OFF- PREMISES CONSUMPTION)	This license (package store) permits the licensee to sell at retail any and all alcoholic liquor in original package form for consumption off-premises only.	\$3,750	Grocery café, and pick-up and delivery
CLASS PB (PEDAL BUS)	This license authorizes the license holder to permit the consumption of beer and wine on-board a pedal bus by a patron over the age of twenty-one (21), provided that the pedal bus is duly licensed to operate within the City of Urbana.	\$500	
CLASS R&T-1 (RESTAURANT & TAVERN)	This license permits the sale and service of alcoholic liquor by the drink or in original package form for on-premises consumption only in a place where bona fide meals are regularly prepared and served as one of the primary services of the business.	\$3,500	Catering, outdoor café, package, and video gaming

LICENSE CLASSIFICATION	DESCRIPTION	PROPOSED FEE	AVAILABLE RIDERS
CLASS R&T-2 (RESTAURANT & TAVERN)	This license permits the sale and service of beer and/or wine, by the drink or in original package form for on-premises consumption only in a place where bona fide meals are regularly prepared and served as one of the primary services of the business.	\$3,000	Catering, outdoor café, package, and video gaming
CLASS TH (THEATRE)	This license permits the sale of alcoholic liquor by the drink or in original package form for consumption on the premises incidental to the viewing of motion pictures or live theatrical or stage performances at a theatre. The licensee shall not be permitted to operate a bar or lounge area at which alcoholic liquors alone may be purchased.	\$1,000	Outdoor café
CLASS URO (UNIVERSITY RELATED ORGANIZATION)	This license permits the sale and service of alcoholic liquor by the drink or in original package form for on-premises consumption only.	\$3,000	Outdoor café
CLASS TEMP-C	Temporary license for current liquor licensees.	\$90	
CLASS TEMP-N	Temporary licenses for non-liquor licensees.	\$90	

LICENSE	DESCRIPTION	PROPOSED	AVAILABLE
CLASSIFICATION		FEE	RIDERS
CLASS INC (INCUBATOR)	This 6-month license is specific to persons not eligible for temporary licenses, or who do not seek to operate a business that would otherwise qualify to apply for another type of city-issued liquor license.	\$2,000	

### RIDER CLASSIFICATIONS AND FEES

RIDER CLASSIFICATION	DESCRIPTION	FEE	ELIGIBLE LICENSES
ALL AGES LIVE ENTERTAINMENT EVENT	This rider permits persons between the ages of fourteen (14) years and seventeen (17) years to attend the licensee's live performance event.	\$250	A
CATERING	This rider permits a licensee to sell and serve alcohol of the type permitted pursuant to their respective licenses at private events off the licensed premises that are neither advertised nor open to the general public. Class H licensee must own and/or operates a restaurant on the hotel premises.	\$350	A, H, MB-2, and R&T

RIDER CLASSIFICATION	DESCRIPTION	FEE	ELIGIBLE LICENSES
GROCERY CAFÉ	This rider permits a licensee to sell and serve wine and beer by the drink for consumption on the licensed premises.	\$500	P
HOTEL RESTAURANT	This rider permits a licensee to sell and serve alcoholic liquor for consumption within a restaurant that is wholly owned by and which is located within or attached to the licensee's hotel.	\$500	Н

RIDER CLASSIFICATION	DESCRIPTION	FEE	ELIGIBLE LICENSES
OUTDOOR CAFÉ	This rider permits the retail sale of alcoholic liquor by any person holding a valid license in that area for which such licensee holds a sidewalk café permit issued by the Director of Public Works or his or her designee, or pursuant to a lease agreement with the owner of private property that is immediately adjacent to the licensee's premises.	No Charge	A, H, MB-2, R&T, TH, URO
PACKAGE	This rider permits a licensee to sell alcoholic liquor in sealed original package form for off-premises consumption.	\$250	A, R&T

RIDER CLASSIFICATION	DESCRIPTION	FEE	ELIGIBLE LICENSES
PICK-UP AND DELIVERY	This rider permits a licensee to accept orders for alcoholic liquor in sealed original package form, for off-premises consumption, that are placed by telephone and/or through the licensee's website, and to deliver such alcoholic liquor beyond the licensee's licensed premises, including delivery to the customer at a location beyond the parcel of property on which the said premises is located.	\$500	MB-2, P
VIDEO GAMING	This rider permits the display and operation of video gaming terminals (VGT) on licensed premises.	\$500, plus \$1,080 permit fee per VGT (up to 5)	A, GC, H, MB-2 R&T

LATE FEES	DESCRIPTION	FEE	
LATE RENEWAL FEE	Applies to renewal applications received after filing deadline		
	of June 1.	\$100	
	Renewal applications not received by due date stated above will incur an		
	additional late fee per day after the initial due date.	Additional \$25   day	
LATE FILING FEE	Applies to Class TEMP licenses NOT filed at least ten (10)		
	days prior to the event date.	\$25	
	Licenses not received by due date stated above will incur an additional		
	late fee per day after the initial due date.	Additional \$25   day	
LATE ANNUAL	Applies to annual payments received after 12 noon on the last		
PAYMENT FEE	business day in June.	\$100	
	Annual payments not received by due date stated above will incur an		
	additional late fee per day after the initial due date.	Additional \$25   day	
LATE SEMI-ANNUAL	Applies to semi-annual payments received after 12 noon on		
PAYMENT FEE	the last business day in December.	\$100	
	Semi-annual payments not received by due date stated above will incur an		
	additional late fee per day after the initial due date.	Additional \$25   day	

MISCELLANEOUS FEES	FEE
ORIGINAL APPLICATION/NEW BUSINESS FEE	\$225
CHANGE OF OWNERSHIP OF PREMISE	\$225
CHANGE OF LICENSE CATEGORY	\$225
CHANGE OF FORM OF OWNERSHIP	\$225
NON-NOTIFICATION OF MANAGER CHANGE	
(APPLIES FIVE (5) DAYS AFTER CHANGE IN	\$50
MANAGERS)	
Non-notification of manager change will incur an additional late fee for	Additional \$25/every thirty (30) days
every thirty (30) days after the initial due date as stated above.	
DUPLICATE LICENSE REPRINT FEE	
(APPLIES TO ALL APPLICANTS WHO SUBMIT	\$25
INCORRECT INFORMATION)	