

LIQUOR COMMISSION MINUTES
July 7, 2016

I. CALL TO ORDER

The Liquor Commission met on July 7, 2016 in the City Council Chambers.

Mayor Chirico called the meeting to order at 3:00p.m.

II. ROLL CALL

Liquor Commissioner
Commissioners

Mayor Chirico
Marc Blackman
Chuck Maher
Dr. Jim Ostrenga (3:01pm)
Paul O'Toole
Whitney Robbins
Joe Vozar
Scott Wehrli
Diana Williams

Detective

Kavita Athanikar

NPD

Officer Dan Riggs

Secretary

Emy Trotz

III. MINUTES OF MAY 12 AND JUNE 9, 2016 COMMISSION MEETING MINUTES

Minutes from the May 12, 2016 meeting were accepted and entered into record by Mayor Chirico. Chuck Maher moved to approve the minutes, seconded by Joe Vozar. Vote unanimous. Motion carried.

Minutes from the June 9, 2016 meeting were accepted and entered into record by Mayor Chirico. Chuck Maher moved to approve the minutes, seconded by Marc Blackman. Vote unanimous. Motion carried.

IV. PUBLIC FORUM

None

V. OLD BUSINESS

a. Liquor License/Permit Fee Analysis

Nancy Bright, Deputy City Clerk, led the discussion. We are continuing with the fee analysis. At the last meeting, there were two action items. One was splitting the cost of the Class B fee increase between the license fee and the Late Night Permit fee. The other was the discussion of Hotel Tiers. In the commission memo, Nancy Bright provided charts that showed the Class B license holders as well as the Late Night Permit holders. As well as possibilities for price increases.

Discussion followed.

Mayor Chirico asked for clarification on the Hotel Tier issue.

Nancy Bright stated that the criteria will be either square footage total hotel space, amount of liquor sales or square footage of banquet space. Comments were received from some of the hotels. They suggested a more effective break point would be the square footage of the hotels that are actually used for the sales and service of liquor. The hotels provided their floor plans. From what was submitted, there seems to be a break point at above and below 50,000 sq. ft of space used for liquor activities.

Diana Williams commented that hotels classify themselves as Full Service or not Full Service Hotels. It is if they have a full service restaurant and a full service bar. This is another way to charge.

Mayor Chirico stated that in terms of the Fee Analysis, we have a plan to identify the type of facility by Full Service Hotel or Limited Service Hotel and square footage.

Chuck Maher said that limited service hotels do serve meals and have a full bar.

Scott Wehrli stated that there are definitions listed in the code for a full service hotel.

Marc Blackman has a concern with banquet. He didn't hear the work banquet in a full service hotel definition.

Mayor Chirico stated that we have a proposal for the J license at \$3875 from the current \$3100 for larger hotels with 50,000 sq. ft or more of banquet space. The smaller units, limited service, will remain at \$3,100.

Class B – the Liquor Commission had directed staff to provide price options for dividing the Restaurant/Tavern fee increase between the Class B and Late Night permit holders. Currently the cost for the Class B license is \$2,100 and the Late Night Fee is \$200. The three options are –

1. Class B \$2,325 Late Night \$500
2. Class B \$2,425 Late Night \$400
3. Class B \$2,525 Late Night \$300

Joe Vozar likes #1 as does Marc Blackman.

The consensus of the commission members was to go with option #1.

This will be updated into the code rewrite and presented to City Council for approval.

Marc Blackman stated that Class J states hotel with a customer bar and needs to be changed to square footage. The hotels need to be split – Class I, limited service, below 50,000 sq. ft. \$3,100 and Class J, full service 50,000 sq. ft or above \$3875.

b. Liquor Code Rewrite

Kavita Athanikar highlighted what was recommended from the Special Meeting.

Section 3-3-1 – Title, add the word tobacco.

Section 3-3-2 - The word liberally was removed and the word tobacco was added.

Section 3-3-3 – All definitions stayed the same and the definition for “tasting”, “palcohol” and “smoking alcohol inhalation” was added.

Section 3-3-4 - No changes.

Section 3-3-5 - No changes.

Section 3-3-6 - #1 struck the specific variance types and kept the general provisions.

#4.1 added not precedent setting

#4.2 struck the exceptional hardship language

#5 changed “termination” to “suspension, revocation, or nonrenewal”.

Section 3-3-7 – No changes.

Section 3-3-8 - No changes.

Scott Wehrli questioned the BASSET training. It has been discussed that after the first class with Naperville, renewals could be completed on line. It had also been discussed to allow onsite training at licensed establishments.

Marc Blackman moved that the initial BASSET training be conducted by the City of Naperville trainer on site or off site at a corporate facility and subsequent renewals maybe conducted at the discretion of the trainee, seconded Joe Vozar.

Discussion followed.

Diana Williams stated that she remembers the discussion that there was benefit being trained by a certified Police Department trainer.

Scott Wehrli stated that the original proposal was to go to a complete on line training. He felt that the initial training needed to be from a Police Officer. The three year renewal brought up the idea of the renewals being on line. We also discussed the possibility of partnering with an online BASSET to have a Naperville BASSET on line class.

Mayor Chirico stated that we had discussed putting together a supplemental sheet on the Naperville ordinances and give them to all of the liquor license holders.

Kavita Athanikar stated that we were going to include that online, so it would be available to anyone at any time.

Scott Wehrli mentioned that we also have the annual seminar.

Mayor Chirico stated that the commission agrees that the first BASSET training should be face to face and subsequent training is to the person’s discretion.

Whitney Robbins asked if there was a time frame in which the renewal needed to be completed. Detective Riggs stated 60 days to complete from date of expiration. If they did not renew, they would not be able to serve alcohol.

Detective Riggs has the capability to look up on a State data base to see if someone has renewed.

Mayor Chirico stated that there was a motion and a second. Roll Call. Vote unanimous, motion carried.

Section 3-3-9 – No additional changes made.

Section 3-3-10- No additional changes made.

Section 3-3-11- Included new fee change for Classes B, C, E, I, J, L, M and P. And also the Late Night Permit.

Section 3-3-12 – Paragraph 3, Change from 22 ounces of beer to 24 ounces of beer. Added paragraph 4, Third Party Promoters. Added paragraph 3.3, Palcohol and Smoking Alcohol and subparagraphs 3.31 and 3.3.2.

Section 3-3-13 – No additional changes made.

Section 3-3-14 – Changed the first paragraph to include further categories of prohibited acts.: “to permit upon any licensed premises any nudity or semi-nudity, sexual conduct, indecency, obscene performance, or continued use of obscenities by any agent, employee, patron or other person” and “sale of palcohol and smoking alcohol”

Scott Wehrli stated that possibly later on add something regarding this in the Rules to be more specific.

Section 3-3-15 – Within chart, added the word “education”.

Diana Williams asked for the definitions to make sure that wine was listed under Brewery/Pub.

Scott Wehrli asked if there was a definition of a third party promoter. Kavita Athanikar will draft a definition to clarify it further and to make the distinction between for profit and non-profit.

Chuck Maher moved to accept Chapter 3 Liquor Tobacco Control as amended with the inclusion of the third party definition, seconded Dr. Ostrenga.
Vote unanimous, motion carried.

VI. NEW BUSINESS

Le Chocolat’s request for a Class B and Class S Liquor Licenses

Currently Le Chocolat has two separate premises and that is why they are requesting two liquor licenses. The first premises is a Class S Specialty Wine Shop where they will engage in the retail sale of wine and have tastings under the guidelines that the Class S provides. The next premises has a request for a Class B license. The City’s Code Inspectors as well as the DuPage County Health Department have gone to the premises and have determined that the kitchen equipment, the full menu, the full kitchen, the full staff meet the requirements for a Class B Restaurant/Tavern.

Joe Vozar asked if there was a cap on the S license. There is not. He is in support of this.

Chuck Maher is also in support.

Scott Wehrli stated that he was on the commission when this was brought up many years ago. The petitioner had gone out of her way to invest in her business and invest in Naperville. He is also in support.

Mayor Chirico said it looked like we had consensus on this. There is no need for a vote.

b. Two-year Liquor License Renewals

Kavita Athanikar stated that this was brought to the Liquor Commissioner by a petitioner. We began to look at this request as a process improvement or a potential streamlining of the process that we have in place.

Nancy Bright, Deputy City Clerk, said the start of the renewal brings up the larger issue of what it is to qualify for a liquor license. The State relies on the City to vet that the applicant has submitted all of the necessary paperwork. In order for the State to issue a license, they require a copy of the local liquor license. The State is on a one year renewal cycle. It is the responsibility of the individual licensee to maintain and update their information throughout the year, new managers, new officers or owners, updated insurance, etc.

Scott Wehrli asked if we can survey other licensees to see if there is interest before we move forward.

Mayor Chirico said we could certainly send out a survey. By going to a two year renewal, the City loses leverage to require annual updates of documentation. And also the ability to leverage their license to make sure their utilities and food and beverage taxes are up to date.

Nancy Bright stated that in the Rules it reads that a licensee shall file its renewal application no later than 90 days prior to the expiration of the license. This was when we used the US Postal Service to mail out the renewals. Renewals are now sent electronically. She recommends diminishing that period to 60 days.

Diana Williams stated that this makes a lot of sense. Her concern was hearing from licensees that the fee increase would have a bearing on their business and would like it spread over a sliding scale. Going to a two year renewal would have a financial impact on some of the smaller businesses.

Mayor Chirico said that we should reach out to the licensees. This could be an optional two year renewal.

Chuck Maher asked how much of this is handled electronically. Nancy Bright said that at this time, we do mail merges. The documents that are sent as replacements are sent as a pdf. The City is looking at selecting a new ERP system, this is an approximate three year implementation plan. Once the new system is installed, everything will be done on line.

Marc Blackman stated that the larger licensees are not an issue but smaller independent ones may have a hard time to with a two year renewal. He sees this as an option and would reduce overhead for the City and for the larger licensees.

Joe Vozar asked that if we go to two year renewals, what are the risks to the City. The Clerk's Office would monitor and notify licensees if items are missing.

Chuck Maher stated that if we implement this, there would need to be some consequences if they are not in compliance. This is already in the rules.

Kavita Athanikar stated that the petitioners request was predicated on the fact that the City of Chicago does this. As an example, Tavern License allows for a two year renewal with a fee of \$4,400. They have inspections required – criminal history review, onsite inspection, health, fire and a local liquor control commission review if needed. A special license, Late Hour License, two year renewal and they require a site plan, floor plan, a request for a Late Hour Permit, liquor control commission review with a fee of \$6,000. The State does accommodate and work well with the City of Chicago in this process.

Mayor Chirico state that do we need feedback from the licensees if this is optional.

Diana Williams asked staff of how much work this would be for them. Nancy Bright stated that staff will still need to track the items required if it's one year or two year.

Dr. Ostrenga stated that in two to three years, we will have the capability to handle everything electronically. He suggests that we take this under consideration until we have the software to support it.

Joe Vozar agrees with Commissioner Ostrenga. He's not hearing about this in the community. He is leaning at keeping it at the one year renewal.

Marc Blackman agrees, if this isn't going to produce logistical savings for the City and make things easier.

Mayor Chirico said that part of the reason was internal efficiencies that may or may not exist. The other part is efficiencies of the licensees. We were trying to address the renewal process. Since the leaning is staying at a one year renewal, it may be worth sending a monkey survey to the licensees.

Chuck Maher asked if the licensee would pay a two year fee.

Scott Wehrli suggested that we do a "shadow" license test. Try to track the information and see what kind of staff time it takes.

Mayor Chirico suggests that we do a survey. He asked if there were any other questions that that should be included.

c. Water Street Liquor Licensing Update

Kavita Athanikar stated that currently we have met with 48 Wine Bar that is requesting a Class B Restaurant/Tavern license with a Late Night Permit. The Class B portion has been approved

by the Liquor Commissioner. The Late Night Permit is capped and will need to go to City Council.

We have met with Quiubo, which is part of the Bien Trucha Family. They have requested a Class B Restaurant/Tavern license which has been approved by the Liquor Commissioner. They have also requested a Late Night Permit and Outdoor Seating Permit. Both of those permits need City Council approval. Late Night is capped and the outdoor seating needs City Council approval because the portion of the premises where they would want outdoor seating is on public way. Currently the City is preparing a lease where by the establishment would have control over that property by relieving the City of any obligation if there were to be any sort of violation. This will allow Quiubo to receive that outdoor seating permit not only from the City but to get State approval as well. That request is going to City Council along with the Late Night Permit.

Hotel Indigo has requested a J Hotel/Tavern liquor license. That's been approved.

Elements that will have a restaurant with banquet space has requested a Class A Restaurant License and that has been approved.

In the future, we anticipate meeting with three additional restaurant licensees that will request Class B licenses as well as Late Night Permits.

We are looking at seven new establishments with five requesting Late Night Permits.

Mayor Chirico added that Le Chocolat is not requesting a Late Night Permit.

This will come to the commission as a package review at the August meeting and then to City Council on August 16th.

Ask the City Council to approve the increase in the Late Night cap to accommodate these incoming businesses.

Scott Wehrli asked if all of these will be coming to Liquor Concept. They will come to concept and to the Liquor Commission.

d. Increasing tobacco age limit from 18 to 21

Chicago just enacted new legislation that went into effect on July 1, 2016 that the sale of tobacco and accessories will not be made to anyone under the age of 21. This is a change from 18 to 21. They are still allowing retail employees who are 18 to sell the product. There is some discussion with the State. Chicago did not wait for the State and went ahead and enacted this legislation. This was very recent so it was appropriate timing for this topic to be brought to this commission.

Diana Williams doesn't see why we wouldn't follow suit with the City of Chicago.

Chuck Maher has worked with youth his entire adult life and he has a hard time putting in legislation when it should be common sense.

Dr. Ostrenga said we are talking a symbolic issue. If Naperville changes the age, they will go to Lisle or Bolingbrook to purchase the cigarettes. He asked if the Chicago ordinance is for

the sale and possession. It just speaks to the sale. The State of California has also enacted this law.

Joe Vozar asked if something is being considered at the State level on this. He is leaning toward raising it to 21 including possession.

Chuck Maher if this is initiated we would be busting kids who are 18, 19 years old who bought their cigarettes in another community. This is for anyone who crosses our borders. I don't see this as a legislation.

Marc Blackman said as opposed to he is about smoking, technically a person is an adult at the age of 18. He doesn't feel you can legislate personal responsibility for ones wellbeing. He won't be able to vote for this either.

Diana Williams would be okay with this without the possession.

Chuck Maher could support if not covering possession.

Paul O'Toole would support just the sale.

Dr. Ostrenga said we should make a statement and encourage health by not letting under 21 buy cigarettes.

Kavita Athanikar said the possession part and sale is similar to what we have in place for alcohol now. If a minor is speeding and he is caught with cigarettes, he would be ticketed for that too.

Mayor Chirico said this is up for discussion, get feedback from stakeholders and the Chamber.

VII. REPORTS

a. Restaurant Association

No report.

b. Beverage Alcohol Seller Server Education Training (BASSET) – Employee Training Statistics

Classes in June had 87 attend with 34 no shows.

c. Tobacco Enforcement Review

The next round of compliance checks begin in September.

d. Liquor Reports

32 DUI's June 2016

34 DUI's June 2015

e. Liquor Concept Committee Report

June 16, 2016

Lucky Penny

1224 W. Ogden Suite G (formerly Wilma's)

Diner that would like to place more emphasis on Brunch in order to attract more Gen X and Millennials by offering more attractive choices, such as mimosas, Sangrias and Craft Beers.

Mayor Chirico approved giving her a liquor application.

Delrio

Looking to put a bar in on the second floor. This was approved.

Quiubo

Water Street

It's a full service restaurant serving contemporary Mexican-inspired cuisine. Their goal is to create dishes that highlight Mexican traditions and flavors while also using local and seasonal ingredients in a modern way. Their bar program focuses on Tequila and Mezcal hand crafted cocktails. Mexican and seasonal local beers and a small selection of wines; all carefully selected to complement their menu. Mayor Chirico approved giving them a liquor application.

The Lantern – 50th Anniversary Party

They will be closing Chicago Avenue August 21st

They will have a band.

Hotel Indigo

120 Water Street

The hotel will provide room service, including alcohol and operate a restaurant named The Plank Bar & Kitchen.

Mayor Chirico approved giving them a liquor application.

Indian Parade

The Indian Parade is August 14th. After the parade, they will go to Knoch Park and have a concert serving beer and wine. They are expecting around 10,000 people. The Special Events Committee, Kavita and I are meeting with them again verify some issues.

On the Border

Budweiser is coming out with a Mexican Beer. They want a one day event to showcase the new beer. Outdoor event.

EXECUTIVE SESSION

None

OTHER

Chuck Maher brought up an observation he made at Ribfest. He feels the four foot gab between fences separating the Sponsor Tent from the general public is not enough. He would like this for future discussion. He would also like to discuss the serving of food while alcohol is being served in the Sponsor Tent.

Mayor Chirico asked Detective Riggs to give a summary of Ribfest. It was a successful weekend with only one arrest. No major problems.

Joe Vozar wanted to acknowledge the “Liquor Squad” and the first class job they did on the Liquor Code Rewrite.

Mayor Chirico thanked Commissioner Williams for serving on the commission and wished her well in her move to Arizona.

IX. ADJOURNMENT

Next Meeting: The next regularly scheduled Liquor Commission meeting will be held on August 4, 2016 at 3:00 p.m. in the Council Chambers.

No further business to come before the commission.

Chuck Maher made the motion to adjourn the meeting at 4:52p.m., seconded by Dr. Ostrenga.

Vote unanimous, Motion carried.