



MEMORANDUM

To: Mayor Ernst and City Council

From: Christian Sigman, City Manager
Steven Chapman, Assistant City Manager/CFO

Date: June 29, 2017

Subject: Alcohol Ordinance Revision

The purpose of this memo is to bring the Mayor and City Council's attention to needed changes within Chapter 4 of the City's code section dealing with alcoholic beverages.

Background:

The Administration has reviewed and revised Chapter 4 of the City Code, which addresses Alcoholic Beverages, due to conflicts between licensing, enforcement, revenue administration, and emerging dispensing practices that need to be addressed (i.e., complimentary drinks at salons).

The impetus of the review came when the Finance Department started the process of requiring CPA generated audits of food sales last fall. (The current ordinance still requires the audits, but not by a CPA.)

The Finance Department received push back from restaurants and the restaurant association as to the onerous nature of the required audit, this combined with other concerns being brought to the Administration's attention, set the stage to take a holistic review of the ordinance. The Finance, Police Department and City Attorney have worked seamlessly to improve the alcohol ordinance from a licensing, permitting and enforcement perspective.

This memo will give a brief narrative summary of the changes to the Ordinance. You will find attached to the memo the draft "redlined" version showing the code section changes and the final draft version as it will look as codified. This effort has taken several months and many hours to complete to ensure that the City as well as its stakeholder businesses in the community are protected and treated equitably.

Major Changes to the Ordinance Include:

- Additional Classes of Licenses/Permits with specific definitions of each
- Change in hours to be consistent with surrounding communities
- Stronger definition of dispensing requirements and conditions for operation

The summary narrative of the changes are as follows:

Section 4-101 – This added section documents that the acquisition of an alcohol permit is a privilege and not a right.

Section 4-102 – This added section documents that the City’s intent is to set standards and regulation for alcohol permits.

Section 4-103 – This section has been enhanced with additional and greater detail of definitions as they relate to the remainder of the code section. The “disciplinary action”, “complimentary service” and “change of ownership” definitions are examples that have been greatly expanded. This section also defines an “entertainment venue” and an “event venue”.

Section 4-200 – This section has been enhanced to include an expanded requirement regarding “change of ownership”.

Section 4-201 – This section has been enhanced to include an expanded table that clearly identifies the different license/permit types and classes. The table is followed with a detail of each license/permit class. This change should minimize any ambiguity with respect to the type of alcoholic beverage license/permit the applicant is pursuing.

Section 4-203 – This section has been enhanced to further define “who” can apply and “how” does one apply for an alcohol license/permit.

Section 4-205 – This is an added section that documents the process in which the granting of an alcohol license/permit will be conducted. This section provides for action to be taken if a license is denied/suspended/revoked or has been refused to be renewed.

Section 4-206 – This section has been enhanced to include posting of an advertisement on the premises in which the alcohol license is being sought. This advertisement will also be required for any change of ownership.

Section 4-300 – This added section documents the conditions that are required to be followed by the alcohol license/permit holder. This section primarily deals with the conduct of the business as it relates to its patrons and the space in which it is operating. In addition, there is a new requirement to display the license number in the window of the business.

Section 4-301 – This added section mandates cooperation with the police department.

Section 4-302 – This section addresses the hours of operation. The major change in this section is the change of hours to be similar with those of surrounding cities. This change is designed for public safety purposes. This change should discourage individuals from driving to the City of Brookhaven from other areas that may have closed earlier.

Section 4-304 – This added section prohibits alcohol to be dispensed to individuals in motor vehicles (ie. no drive through beverage sales).

Section 4-305 – This added section prohibits alcohol consumption on City streets (except permitted events).

Section 4-306 – This section has been greatly enhanced to include the conditions under which an employee of a license holder may obtain/hold a license. Also, clarification is provided to license holders that they must also hold an individual pouring license if they wish to pour drinks.

Section 4-309 – This section removes the sexually oriented business requirements. Section 4-201(b) specifically prohibits sexually-oriented businesses from holding an alcohol license. It will not apply to any SOB that has a separate agreement with the City.

Section 4-315 – This section has been revised by eliminating the distance requirement between purchase and consumption.

Section 4-500 – This is a new section added to address the requirements for a “home brew” event.

Section 4-503 – This section has been enhanced to include a requirement for ingress/egress to the premises.

Section 4-700 – This section has been added to address the requirement for caterers to hold an alcohol license/permit.

Section 4-701 – This section has been added to detail the eligibility and application for a caterer.

Section 4-900 – This section has been greatly enhanced to define the requirements for persons under the age of 21 years at premises that serve alcohol.

Section 4-901 – This section has been added to reinforce that persons under the age of 21 are prohibited from drinking alcoholic beverages.

Section 4-1000 – This section has been added to define the penalties either through a revocation or a monetary penalty for violation of the ordinance. Fines for a second or third offense have been increased.

Fiscal Impact:

No fiscal impact – license and permit fees will be reviewed annually as part of the budget process.

Recommendation:

Staff recommends City Council consideration on June 29, 2017 and July 25, 2017 with approval on August 22, 2017 of this ordinance.

Attachments:

Draft Chapter 4 – Alcoholic Beverage Ordinance (Redlined and Final)