

To: Council Members, Mayor Prussing, City Staff
From: Charlie Smyth, Ward 1
5/9/2014

RE: Cost of Temporary T3 Liquor License & potential T1 changes

Background

Several local business owners have mentioned to me how they would like to be able to hold events of various sizes but our T3 license cost is prohibitively expensive. "For-Profit" organizations must already have a liquor license from the State of Illinois that is good for one year but is dependent on having obtained a local license first (<http://www.state.il.us/lcc/docs/retailer.pdf>). They then have to obtain a Special Use Permit for the day or multiple days of the event (<http://www.state.il.us/lcc/DOCS/SpUsePermit.pdf>). The Retailer's Liquor License costs \$500 plus a \$25 application fee and the temporary permit is \$50 (single day) or \$100 (up to 15 days).

The city's procedure is shown here: <http://urbanaininois.us/departments/public-works/special-events/liquor-license-food-permit-information>. In addition, you have to show proof of insurance as well as meet several other criteria. What is not clear is a For Profit wanting to do a special event that does not have already have a state liquor license. Not for Profits must obtain a "temporary State License" that is good for only 15 days but also costs \$500. This information is on the state webpage: <http://www.state.il.us/lcc/>.

In addition, the limitations on our T-1 liquor license require that the event be contiguous with the facility holding the liquor license. I have had preliminary discussions with city legal and mayoral staff and several ideas developed that I discuss below.

Research

The following information is a review of temporary liquor license fees from other Illinois communities (as of February 2014):

Bloomington, Illinois

First day is \$100, every day after that is \$50 with a maximum of \$500 per license

Normal, Illinois

First day is \$100, \$50 each additional day after that, up to three days total

Carbondale, Illinois

\$100 per day

Champaign, Illinois

\$80 per day plus a \$50 deposit (clean-up fee)

Schaumburg, Illinois

\$40 per day

St. Charles, Illinois

\$100 per day

Naperville, Illinois

\$50 per day

Peoria, Illinois

First day is \$150, every day after that is \$50, up to five days total

Skokie, Illinois

\$40 for a one or two day event, \$60 for a three day event, \$80 for a four day event

Aurora, Illinois

\$25 per day

Moline, Illinois

\$25 per day

Urbana, Illinois

Urbana T3 Special Event Liquor License (2 per year): \$1093.00

Urbana T1 8 hr/current license holder/contiguous to premise Liquor License (10 per year): \$89

Urbana T2 Liquor License (not for profit)(any per year max?): \$89

Urbana CA1 Caterer's Additional Site License (any per year max?): \$35

City Special Event Permit application: \$25

Other costs as determined by Public Works and Police: Variable

<http://urbanaininois.us/departments/public-works/special-events/special-events-parade-permit-forms>)

Discussion

Having these licenses, then one must pay the appropriate event fee to the community in which their special event will be held (In our case, this is \$25 PLUS cost for services) so one thing we need to get are other communities' numbers for recouping expenses for police, public works or other services provided by the municipality.

To further complicate matters, we (Urbana) have a Caterer's Additional Site license (\$35) that allows a city liquor license holder to have a special event that's not contiguous to their property but they must be registered as a caterer to do this. This results in some confusion, in my opinion, as to when a T3 license is needed, when a T-1 can be used, when a Public Works Special event application needs to be sought, and so on. Some of this is spelled out in a city policy manual section 10.2 which to my knowledge is not on line but which I've attached. Certain credits and waivers are applied depending on the event and the sponsor. There is some concern about whether this should even be in policy form and not under some other, eg. ordinance form making it clear to all how we go about this business.

For someone having an event of substantial magnitude that may or may not be of a "Festival" level here are some potential additional expenses: cost of insurance, cost of staffing, cost of bar and other temporary infrastructure, and the cost of leasing, if any, of the premises in use.

A couple of scenarios to consider (all serving alcohol):

Case 1: Sweet Corn – fill in permits required and typical costs

Case 2: Chili Cook off – fill in permits required and costs

Case 3: One day festival that requires blocking of a one block section of city street downtown (eg 100E or W Block of Main, or the Broadway block between Main and Elm).

Subcase – this Main Street event is put on by Crane Alley an existing permit holder contiguous to the street (or the Broadway 88 experiences).

Case 4: A large wedding reception in someone's backyard (tent may or may not be 400sq ft), outdoors at a club or private fraternal organization, or in a semi-public place such as a Park District pavilion where alcohol might be allowed.

Case 5: an event put on from 6pm-midnight in the Busey Bank parking lot by Pizza M. This might be a local food eating event , a music event, or some combination like that with tickets required.

Subcase: tickets not required in advance but limited to "capacity" (however that's defined).

Where is all this going?

What I'm interested in doing here is making sure that we have our fees and charges in line with and proportional to the size and type of event. The city should know about special events and should recoup reasonable costs. Further, these should be clear and easy to follow to the public, particularly for someone wishing to hold an event. One thing that I think we can make clearer is that by getting a Special Event T3 liquor license is for a large event and if some of the public works and police fees are paid in advance? This leads me to think that maybe what is needed is a lower cost T3 license plus a deposit based on the size of the expected group and estimated costs to Public Works, Police, Fire and related city services. This would make it clearer that we support special events and have a mechanism in place for a variety of sizes, not a one size fits all approach.

Similarly, it may be appropriate to allow someone with T-1 license to hold their event within some distance of their business (200-500 yard radius for example). This would allow someone with a current business using an existing license to use a "better" space for their event without having to block off a major street. Public Works staff could identify suggested locations in downtown and elsewhere (eg. the block in front of the courthouse, the first floor of the parking deck, Broadway between Elm and Main, the Civic Center parking lot, grass space off of Kerr Ave, etc), along with potential costs, for "renting" these spaces. This would address the concerns raised in Cases 3 and 5 above very nicely and could result in much better events that co-exist in a positive fashion with Main Street merchants and others.

Motion

Direct staff to research and develop changes to the T-1 and T-3 that reflect true costs, allow greater flexibility and usage of private and public facilities, and encourage better co-existence among existing businesses. These changes would address the scenarios listed above and others that we haven't thought of.