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Memorandum

DATE: October 12, 2006
TO: Bruce Walden
FROM: Jim Gitz
RE: Liquor License Amendment

The purpose of this ordinance is to add a new subsection (b) (2) to Section 3-43 of Chapter 3 Alcoholic Liquors of the Urbana City Code. Section 3-43 deals with limitations on the number of licenses which shall issue in various classifications. The purpose of the new language is to provide a means of issuing a liquor license to a business which has been annexed in the City when there is no current license available.

This ordinance arises out of a situation involving a local gas station/convenience store on Cunningham Avenue. This property was involuntarily annexed into the City in late 2001. Because it was an involuntary annexation, there was no annexation agreement pursuant to the language which already exists in Section 3-43 of the Code. The business previously had a package liquor license from the County which allowed them to sell hard liquor as well as beer and wine. When the business was annexed into the City, they applied for and received a Beer & Wine package liquor license (BBB), because that was apparently the only license available at the time. This put the business at a competitive disadvantage with similar businesses which had a Class C license – through no fault of their own.

The purpose of this ordinance is to provide a means of continuing the equivalent license classification that a business had prior to annexation. In a voluntary annexation, the Mayor and the City Council already have the authority to issue an additional license, regardless of the population provision, as a part of the annexation agreement and pursuant to the approval of the Council. The new subsection (b) (2) would provide similar authority in cases of involuntary annexation.

OPTIONS:

- (1) Approve the ordinance.
- (2) Disapprove the ordinance.
- (3) Provide an alternative means of addressing the problem.

ORDINANCE NO. 2006-10-127

AN ORDINANCE AMENDING THE LIQUOR CODE - SECTION 3-43
OF THE URBANA CITY CODE
(Limitations on number issued)

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

Section 1. Section 3-43 of the Urbana City Code entitled "Limitations on number issued",
subparagraph (b) is hereby amended to read as follows:

- (a) Not more than one Class A license shall be issued in any one year for each one thousand five hundred (1,500) population of the city. Not more than one Class AA license shall be issued in any one year for each three thousand seven hundred fifty (3,750) population of the city. Not more than one Class B, Class BB or Class BBB license shall be issued for each one thousand five hundred (1,500) population of the city. Not more than one (1) Class C license shall be issued for each three thousand seven hundred fifty (3,750) population of the city. The population of the city for such purposes shall be determined by the latest motor fuel tax census or by the federal census, whichever is later.
- (b) Provided, however, if the limitation on the number of licenses authorized by the formula set forth in (a) above would preclude the issuance of liquor licenses:
 - (1) as agreed in a written agreement approved by the city council, additional liquor licenses shall be deemed to be automatically authorized in sufficient number to enable the city to honor the contractual commitment of the city.
 - (2) An additional liquor license may be authorized by ordinance approving such if a property which immediately prior to annexation had a valid county liquor license but no prior written agreement relating to a city liquor license had been entered into.

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:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____, _____.

Laurel L. Prussing, Mayor