

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

 X Resolution or Ordinance (Blue) X *Waiver of First Requested*
Recommendations of Boards, Commissions & Committees (Green)
Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: Scott R. Niehaus, Village Manager

DATE: April 8, 2014 (B of T) Date: April 17, 2014

TITLE: Amending Title 11, Chapter 112 -- Alcoholic Beverages
AMC Theatres at Yorktown Center

SUBMITTED BY: William Heniff, AICP, Director of Community Development *WA*

BACKGROUND/POLICY IMPLICATIONS:

Please find attached an Ordinance amending Title 11, Chapter 112 of the Lombard Village Code in regard to Alcoholic Beverages and the Class "X" Movie Theater Liquor License Category.

The petitioner is requesting a waiver of first reading in order to accommodate lease and construction deadlines.

Please place this on the April 17, 2014 Board of Trustees agenda.

Fiscal Impact/Funding Source:

Review (as necessary):

Village Attorney X _____ Date _____

Finance Director X _____ Date _____

Village Manager X _____ Date _____

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda Distribution.

MEMORANDUM

TO: Scott R. Niehaus, Village Manager

FROM: William J. Heniff, AICP, Director of Community Development *WJH*

DATE: April 17, 2014

RE: **Text Amendment to Chapter 112 of the Village Code – Class “X” Movie Theatre License Category**

The Village has received a request from Yorktown and AMC Theatres to amend the provisions set forth within Chapter 112 of the Village Code as it pertains to liquor license regulations within the Class “X” category. The request is associated with AMC’s desire to complete a remodeling effort to ensure that the theatre remains competitive with current and future viewing trends demanded by patrons.

AMC has provided the Village with the overview of their proposed improvements, which consists of:

- Theatre auditorium enhancements to provide increased legroom, wider reclining seats and aisles and tables for food consumption at the patron’s seat;
- Expanded food options through the AMC Red Kitchen;
- Increased beverage options, including expanded alcohol options through its McGuffins concept; and
- Use of “runners” who will bring previously ordered food to theatre patrons at their seats.

To meet this demand for a higher quality viewing experience, the interior theatres will be completely remodeled, resulting in a reduction in overall seats from the existing 4,029 to 1,522 seats. This reduction will be offset by an anticipated increase in the overall seat occupancy.

AMC also notes that customers also want greater food and beverage options at the theatre. The proposed AMC Red Kitchen will provide greater variety of meal options for customers. To supplement the food options, AMC is seeking approval for their expanded McGuffins bar concept. Their business plan is to have a small bar area at the theatre entrance where patrons can order and consume their alcoholic beverages. They will then be able to bring these beverages into the respective theatres.

CODE AMENDMENT REQUEST

Currently the Class "X" liquor license provisions limits the purchase and consumption of alcoholic beverages to the single premium theatre. The request is to allow for alcohol consumption in all theatres. AMC notes that this model has been successfully implemented elsewhere in the Chicago area and nationally and reflects the demands of patrons. Their operations and experience are that:

- All patrons are carded and must be present at the McGuffins counter to purchase alcohol beverages (i.e., you cannot buy for friends);
- One beverage is sold at a time to a patron (i.e., you can't stock up);
- Alcoholic beverage glasses are distinctive;
- As with all alcohol establishments, all employees must go through BASSETT training; and
- Theatre etiquette finds that once in a theatre, patrons seldom leave the theatre for other drinks.

The Class X license amendments set forth further provisions pertaining to the use of wristbands, the containers used for alcohol, and general operating parameters. Of particular note, the concept of establishing permissible beverage cup sizes does remain within the proposed amendments, but it is modified to address concerns raised by AMC to account to their standardized beverage preparations among all of their facilities nationally.

Attached is a memorandum from Police Chief Ray Byrne, noting that other Chicago area police departments were asked about their experiences with such theatres. The memo notes that these theatres have not had issues with alcohol or underage drinking.

ACTION REQUESTED

Attached for Village Board consideration is an amendment to the Chapter 112 pertaining to the Class "X" regulations for alcohol consumption. The proposed amendments memorialize the representations made by AMC into Village Code to ensure that the sale and consumption of alcohol is done in a safe manner. The petitioner's counsel has reviewed the proposed amendments and finds it acceptable.

Lastly, the Village has also received a request for a waiver of first reading of the proposed ordinance in order for them to complete negotiations of their lease extension and complete the reconstruction of the theatre by December, 2014.



LOMBARD POLICE DEPARTMENT



Date: February 4, 2014

To: Scott Niehaus
Village Manager

From: Raymond J. Byrne
Chief of Police

Re: AMC Movie Theater Redevelopment Concept

At your request, I have reviewed the proposed concept for the redevelopment of the AMC Yorktown 17 movie theater. While the proposal contains many upgrades such as seating, dine-in theaters and an expanded menu, one of the key components is a free-standing, full service bar that would allow patrons the ability to purchase alcohol and then enter any of the theaters. A key concern would be the ability for minors to consume alcohol purchased by individuals over the age of 21.

AMC currently has three theaters operating as proposed in this concept. In an effort to ascertain if there have been any problems associated with these facilities, we made contact with the police agencies where the theaters are located. In addition, we reached out to two additional agencies that have similar theaters, but are not run by AMC. The feedback we received is below.

Mt. Prospect – The AMC bar area has been open for approximately three years. They have had no increase in underage drinking, fights, over serving or any other liquor violations. The theater currently uses off-duty police officers as security on Friday and Saturday nights. The theater was going to cancel the off-duty detail due to a lack of security issues, but they have retained it since the Colorado AMC shooting event.

Lake in the Hills – The AMC bar area has been open for approximately six months. They have had no increase in underage drinking, fights, over serving or any other liquor violations. They just passed their most recent alcohol compliance check. There is no off-duty security detail at this theater.

Chicago Ridge – The AMC Theater is located in the Chicago Ridge Mall. It has been open for approximately one and a half years. They have had no increase in calls to the theater. This AMC theater does provide its own private security service.

Wheaton – Wheaton has a facility named Studio Movie Grill which opened in May of 2012. They have had only one call to the theater in that time. It was a disturbance call (dispute between moviegoers) in which alcohol was not a factor.

Woodridge -- Woodridge has a facility named the Hollywood Theater. It has been in existence for more than ten years. It has a full bar which includes patrons having the ability to purchase pitchers or buckets of beer. Woodridge has not had any issues with the theater. They reported that the theater staff is very diligent about checking the age of patrons. The majority of their calls for service at the theater are related to patrons leaving without paying their food bills.

From this brief sampling of similar venues, it would appear that the introduction of alcohol has not led to increased crime or disturbance problems, whether in AMC theaters or other brands. Should this proposal move forward, the Lombard Police Department would be happy to work with AMC to ensure that strict compliance with the Village's ordinances related to alcohol are followed. If you should have any questions, or would like additional information, please do not hesitate to contact me.

cc: Bill Heniff, Dir. of Community Development

U: AMC Memorandum.docx



Yorktown 17

Lombard, IL • February 20th, 2014

The industry continues to evolve...

THEN

- ✓ 35 MM
- ✓ Simple food menu
- ✓ Sloped floors
- ✓ One dimensional stands
- ✓ Mega-plex
- ✓ Fixed seats



NOW

- ✓ Digital/3D
- ✓ Expanded menus; alcohol
- ✓ Stadium seating
- ✓ Marketplace
- ✓ Smaller facilities
- ✓ Luxury recliners

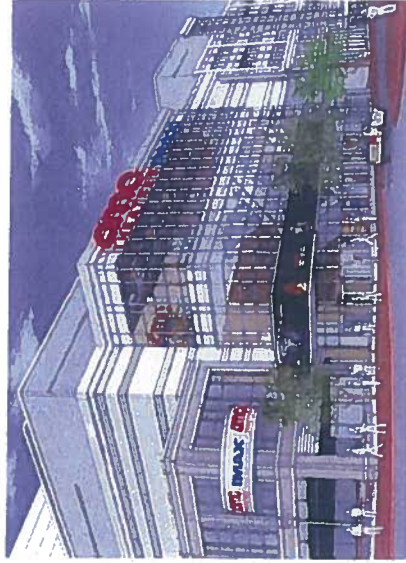


Guests expect more; must innovate to remain relevant.

AMC continues to invest heavily in its theatres...

...2014 initiatives:

- Dine-in Theatres
- Reseat/Remodels
- MacGuffins
- New-builds
- Acquisitions



Food & Beverage and Movie-going reimagined!



Menu inspired by the latest consumer trends and developed in partnership with Union Square Hospitality's culinary team

Fresh, casual attributes

- Chef driven
- Counter order, delivered
- Casual dining interiors
- Fresh, locally sourced
- Engaging environment



**UNION SQUARE
HOSPITALITY GROUP™**

fast casual
fast_casual_casual fast
casual research
FRESH_Casual garbanzo
giving gourmet_coffee
healthy ideas in store
marketing interior
design lessons
marketing micro-testing
market orange persona
branding poster tecode

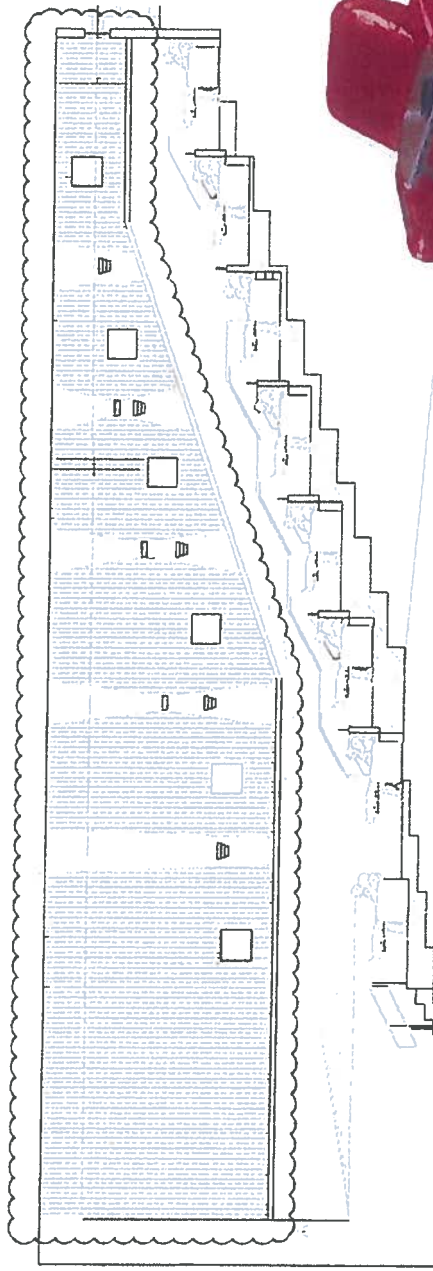
RedKitchen Menu....

- **Platters**
 - Pulled Pork Platter, Chicken Tenders Platter
- **Sandwiches & Wraps**
 - Philly Cheesesteak, Southwest Turkey Club, Chicken Caesar Wrap, Carolina Pulled Pork Wrap
- **Pizza**
 - Wild Mushroom, Pepperoni, Cheese
- **Gourmet Hot Dogs**
 - BLT Dog, Windy City Dog, Organic Chicken & Turkey Dog
- **Salads**
 - Chicken Caesar Salad, Roasted Portobello & Field Greens
- **Grab & Go Desserts**
 - Brownie & Blondie Skewers, Raspberry White Chocolate Cheesecake



Auditoriums will have a very relaxed feel...

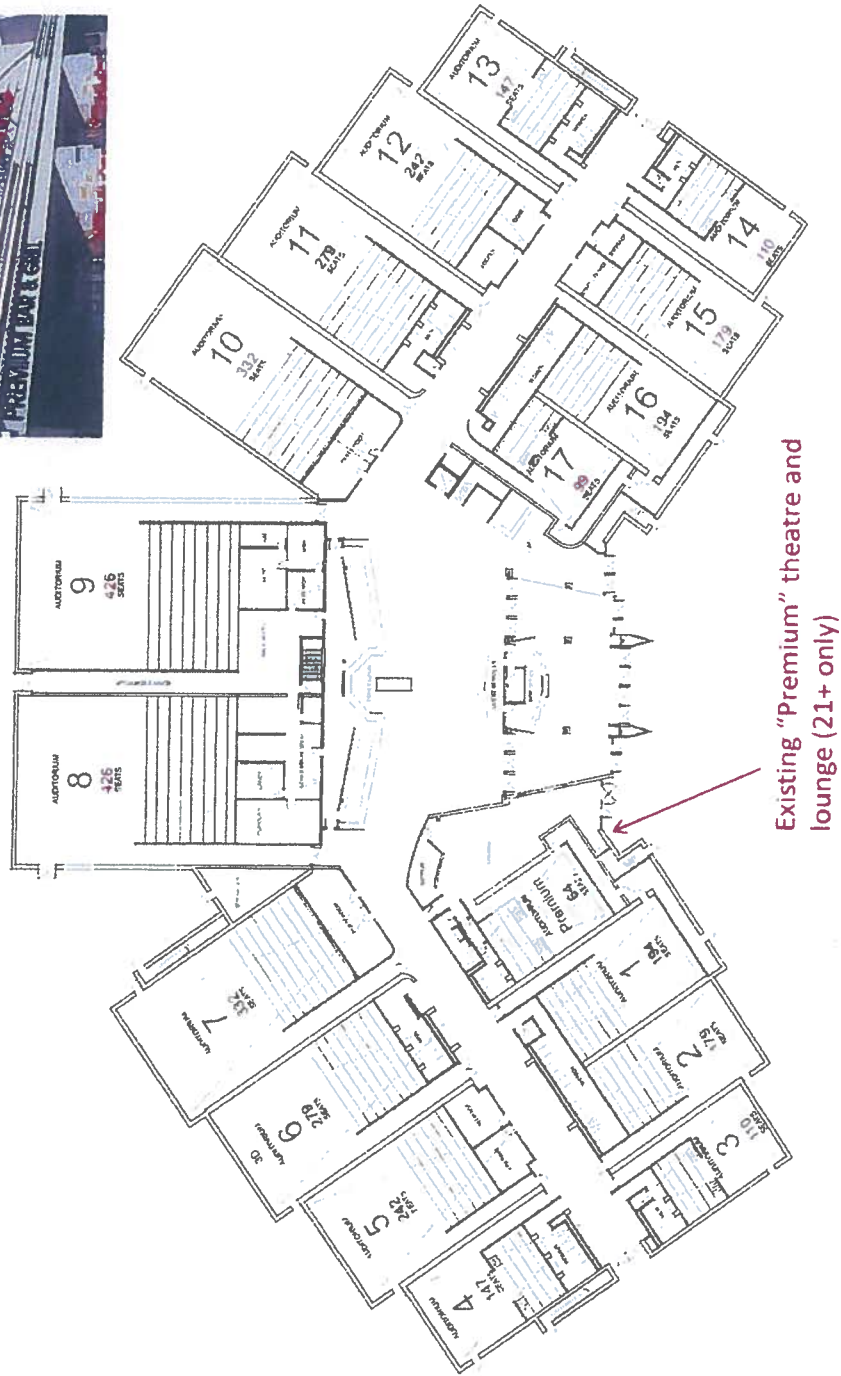
- ... ample legroom, wide aisles
- ... access for delivery of food
- ... soft lighting, digital presentation



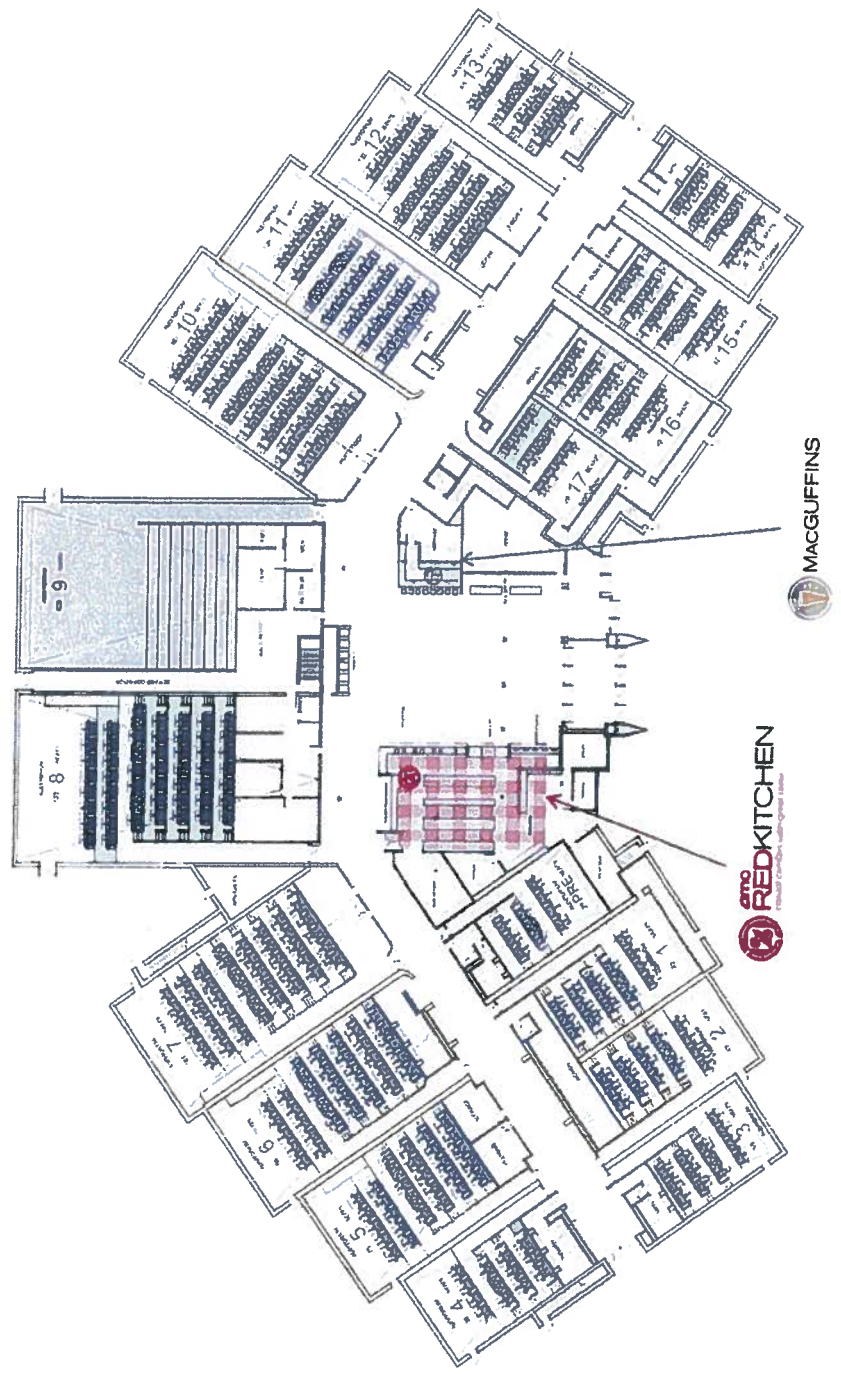
Proposed Seating Summary			
Current Seat Count		New Seat Count	
Fixed	Total	Fixed	Total
3,917	4,029	1,455	1,522

...a 62.2% seat reduction!

Yorktown 17 today...

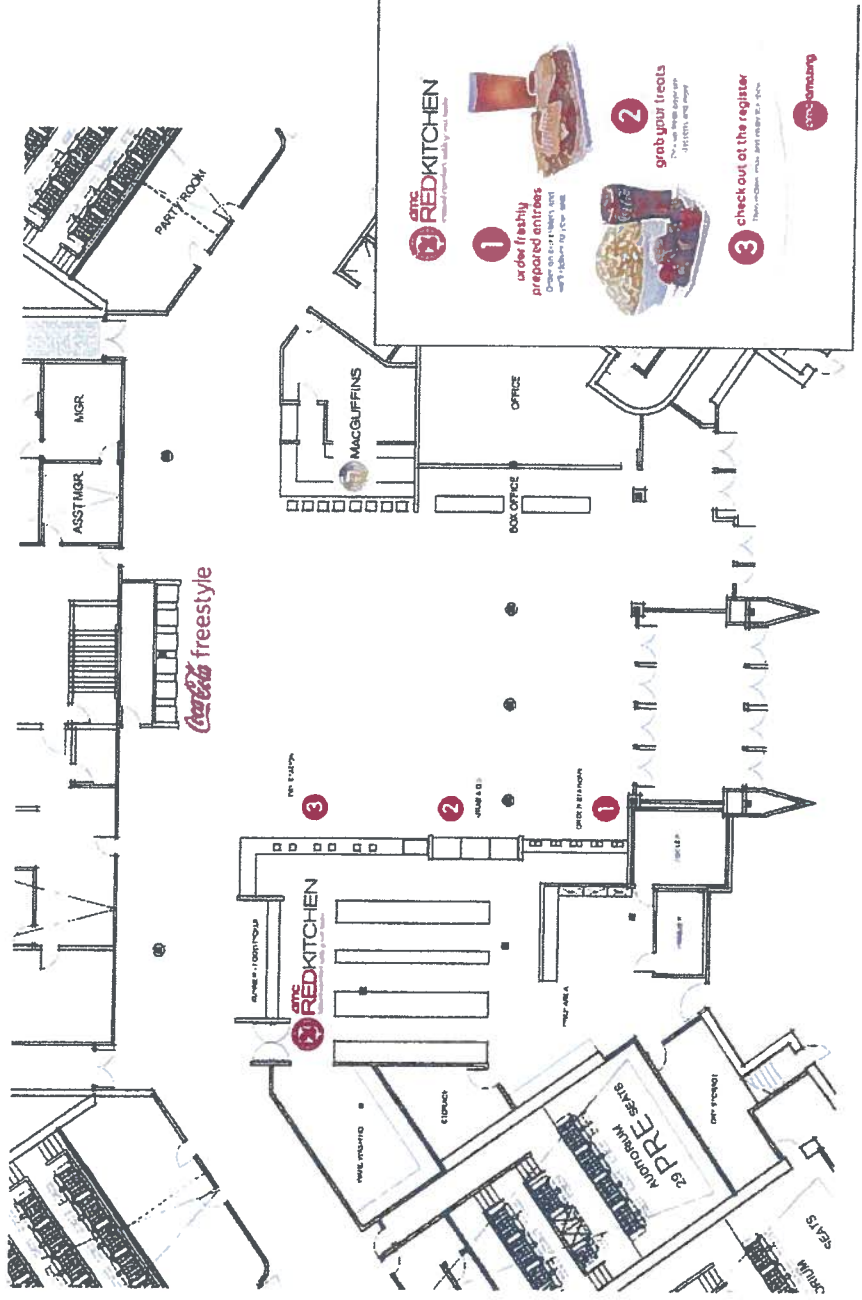


Yorktown 17 proposed...



Full restaurant kitchen featuring...

- ... open design; designed for quality, speed and authenticity
- ... easy grab-and-go for traditional favorites



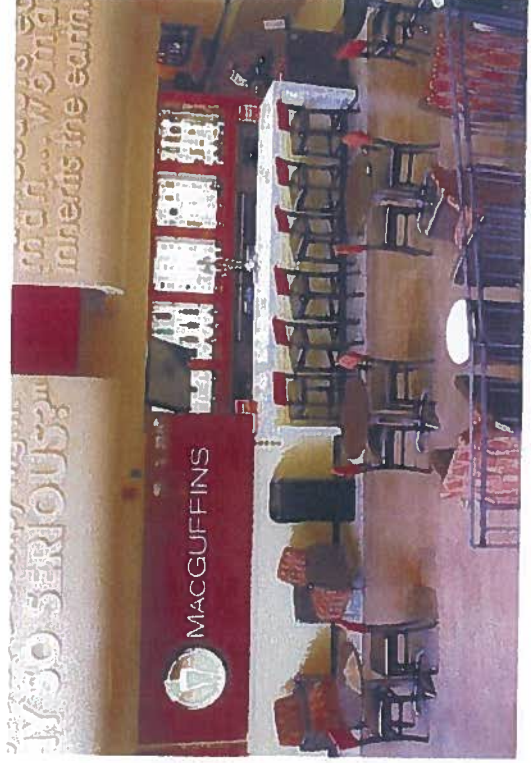
Why MacGuffins?

To recover the adult movie-going audience...

- Critical to asset strategy
- Offer amenities that appeal to adult audiences, including enhanced F&B offerings
- Expanded entertainment offerings such as opera, corporate functions and other events

Status:

- Alcohol served – 63 venues
 - River East 21
 - Randhurst 12
 - Lake in the Hills 12
 - Chicago Ridge 6
 - Yorktown Premium (21+ only)
 - Downtown Disney 24
 - Universal Studios 20
- 19 approved
 - Hawthorn 12 (opening TBD)
- 10 priority licenses in CA
- 40 in the pipeline



AMC's alcohol compliance platform is based on....

...experience

...best practices

...common regulatory practices

...the movie-going experience

Fantastic track record!

Over 200 consecutive years of
successful & safe bar operations



- ✓ Require TIPS training
- ✓ Card everyone
- ✓ Enforce a "Zero Tolerance" policy
- ✓ All bartenders are 21 and over
- ✓ Use standard recipes
- ✓ Use a distinctive set of cups
- ✓ Monitor compliance with Mystery Shops
- ✓ Partner with local regulatory authorities
- ✓ Offer outlet for guest feedback: Sertec
- ✓ Position cameras in bar area



MacGuffins around the country...



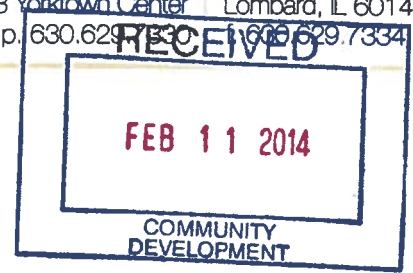
Key Attributes:

- ✓ Age-restrictive signage
- ✓ Lockable storage areas
- ✓ Storage monitored by cameras
- ✓ Ticketed guests only

In Summary...

- Changing Consumer
- Substantial Community Investment
- Industry Leaders
- Excellent Track Record





February 7, 2014

Village of Lombard
Attn: Bill Heniff
255 E. Wilson Ave.
Lombard, IL 60148

Re: AMC Theater at Yorktown Center, Lombard, IL
Waiver of 1st Reading

Dear Bill:

Yorktown is requesting a waiver of 1st reading for modifications to the liquor license for the AMC Theater. Time is of the essence, because we need to finalize lease documents and construction documents as soon as possible in order for the project to be completed by the end of 2014.

Please do not hesitate to call me at 914-438-4309 with any questions.

Sincerely,

A handwritten signature in blue ink that reads "Donna J. Blair".

Donna J. Blair
Vice President



ORDINANCE NO. _____

AN ORDINANCE AMENDING TITLE 11, CHAPTER 112 OF THE LOMBARD VILLAGE CODE IN REGARD TO ALCOHOLIC BEVERAGES AND THE CLASS "X" MOVIE THEATER LIQUOR LICENSE CATEGORY

BE IT ORDAINED by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, as follows:

SECTION 1: That Title 11, Chapter 112, Section 112.02 of the Lombard Village Code is amended by adding the following definitions thereto:

"ALCOHOL WRISTBAND: An indicia of eligibility (worn on the wrist of a movie theater patron) to be served an alcoholic beverage by a Class "X" liquor licensee.

MOVIE THEATER: Any building to which the public is invited and pays consideration for the purpose of viewing motion pictures.

MOVIE THEATER AUDITORIUM: That portion (or those portions) of a movie theater where patrons are seated for the actual viewing of motion pictures."

SECTION 2: That, effective December 1, 2014, Title 11, Chapter 112, Section 112.12(A) of the Lombard Village Code is amended by revising the description of the Class "X" Liquor License, as contained therein, to read in its entirety as follows:

"Class "X" – Alcoholic beverages served as an adjunct to a movie theater, subject to the following restrictions:

- (1) Preparation of alcoholic beverages shall be limited to a designated lobby bar area.
- (2) Service of alcoholic beverages may be made only to persons wearing a wristband approved by the Village's police department ("alcohol wristband" or "alcohol wristbands"). The person dispensing alcohol wristbands shall have completed a certified alcohol awareness training course as set forth in Section 112.40 of this Chapter. The alcohol wristband shall be valid only for the date on which it is obtained from the movie theater. At the end of one year after the issuance of the initial liquor license or at the end of one year from the issuance of a disposition as referenced in the last

sentence of this subsection, at the option of the licensee, and provided that there have been no violations of Section 112.30(A) of the Village Code by the liquor licensee during said one year period, the use of alcohol wristbands may be discontinued. Prior to such discontinuance, written notice of such intent shall be provided to the Local Liquor Control Commissioner. If the liquor licensee has been found to be in violation of Section 112.30(A) of the Village Code, whether as a result of a voluntary admission by the liquor licensee, or after notice and the required hearing, the Local Liquor Control Commissioner may impose an alcohol wristband requirement as part or all of any disposition.

- (3) Alcoholic beverages may be delivered and consumed in the movie theater auditorium or the lobby bar area.
- (4) The containers in which alcoholic beverages are served must be of a different color, size and design than those in which non-alcoholic beverages are served.
- (5) Beer may be sold only in individual containers holding thirty-two (32) ounces or less. All other alcoholic beverages may be sold only in individual containers holding sixteen (16) ounces or less. Alcoholic spirits (alcoholic beverages other than beer or wine) will be restricted to three (3) ounces or less total volume in any individual container. Wine may be sold by the bottle, for consumption in the movie theater auditorium or the lobby bar area, provided that a minimum of two patrons are consuming the wine.
- (6) No more than one alcoholic beverage may be delivered to a customer at any one time.
- (7) There may be no service of alcoholic beverages unless the movie theater is actually open for the showing of movies or for the holding of private rentals and events. Alcoholic beverages may never be served more than one (1) hour prior to the advertised showing time of the first movie to be shown on any day, except for private rentals and events
- (8) The lobby bar and the lounge area associated with the bar may comprise no more than twenty percent (20%) of the floor area outside of the movie theater auditoriums.
- (9) An employee of the licensee, who has completed the certified alcohol awareness training course, referenced in Section 112.40 of this Chapter, shall be designated to monitor compliance with alcohol laws and be on duty on the premises whenever there is service of alcoholic beverages.
- (10) The Class "X" liquor licensee shall be responsible if any alcoholic beverage is consumed by any minor at any location within or on the movie theater premises, whether the alcohol was purchased at the movie theater or not.

Food service may be provided as an adjunct to the movie theater and the service of alcoholic beverages. No package sales, other than bottles of wine as described in item (5) above, shall be allowed."

SECTION 3: That, effective December 1, 2014, Title 11, Chapter 112, Section 112.33(B) of the Lombard Village Code is amended by revising the reference therein to "Class "A/B-III" or "Z" liquor license" to read, "Class "A/B-III," "X" or "Z" liquor license."

SECTION 4: That this Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form as provided by law.

Passed on first reading this ___ day of _____, 2014.

First reading waived by action of the Board of Trustees this ___ day of _____, 2014.

Passed on second reading this _____ day of _____, 2014.

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED this _____ day of _____, 2014.

Keith Giagnorio, Village President

ATTEST:

Janet Downer, Deputy Village Clerk

Published by me in pamphlet form this _____ day of _____, 2014.

Janet Downer, Deputy Village Clerk