

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 6, 2021 (B of T) Date: April 15, 2021

TITLE: Amending Title XI, Chapter 112 – Alcoholic Beverages and the Class “N”
Liquor License Subcategories and
Issuance of a Class “N-II-VG” – Corridor Kitchen and Tap, 18 W. St. Charles Rd.

SUBMITTED BY: Keith Giagnorio
Local Liquor Commissioner
Village President

BACKGROUND/POLICY IMPLICATIONS:

Please find attached an ordinance amending Title XI, Chapter 112, of the Lombard Village Code amending the Class “N” liquor license subcategories and issuing a new Class “N-II-VG” liquor license to Eighteen West LLC d/b/a Corridor Kitchen and Tap located at 18 W. St. Charles Road.

Please place this item on the April 15, 2021 Board of Trustees agenda for consideration.

Staff and the petitioner are requesting a waiver of first reading.

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 Niehaus, Village Manager

FROM: Keith Giagnorio
Local Liquor Control Commissioner
Village President

DATE: April 6, 2021

SUBJECT: **Amending Title XI, Chapter 112 – Alcoholic Beverages and the Class “N” Liquor License Subcategories and Issuance of a new “Class N-II-VG” Liquor License to Corridor Kitchen and Tap - 18 W St. Charles Road**

Staff has conducted a review of the Class “N” liquor license subcategories and is recommending certain amendments to the Village Code regarding the same. The proposed amendments come as a result of inquiries from potential businesses that have been interested in obtaining a liquor license but cannot meet the requirements of the Class “A/B” liquor license definition and evaluation of the existing Class “N” liquor license subcategories.

Lombard Village Code Title XI, Chapter 112, currently includes four Class “N” subcategories (“N-I”, “N-I-VG”, “N-II” and “N-II-VG”). Until recently, there was one liquor license issued in the Class “N-I” category to DOC Wine Bar and one Class “N-II” license issued to Praga. Both businesses have since ceased operations and there are currently no liquor licenses issued in any of the “N” subcategories.

Staff is recommending that the Class “N” subcategories be restructured in a similar fashion as the Class “A/B” subcategories. Please note the following major differences that currently exist between the Class “A/B” and the Class “N” subcategories:

The Class “A/B”:

- Allows the service of alcoholic beverages
- Requires that the licensee be defined as a restaurant
- Requires that the food to liquor sales ratio must be at least 60/40
- Requires a seating capacity of not less than 75 patrons
- Does not allow for packaged sales
- Are divided into four classifications, each based on the gross amount of liquor sales
- Requires an annual audit of liquor sales

The Class “N”:

- Allows the service of alcoholic beverages
- Has no requirement that the business meet the definition of a full-service restaurant – just provide food service
- Requires that food service shall constitute at least 40% of the gross income (food to liquor sales ration may be 40/60)
- Allows packaged sales of wine and champagne

The proposed changes to the Class “N” subcategories would be as follows:

- The order of the subcategories will be revised to coincide with increasing alcoholic liquor gross sales amounts matching those of the Class “A/B” licenses
- Clarification added relative to qualifying as a “sit-down” restaurant instead of providing “food service” consistent with Class “A/B” licenses
- Packaged good sales of alcohol, specifically wine and champagne are no longer permitted consistent with Class “A/B” licenses
- Annual audit of liquor sales required consistent with Class “A/B” licenses
- The license fee as well as their video gaming counterparts have been increased by \$125 per licensing term to reflect that the decreased food sale requirement of 40% and ability for alcoholic sales to be up to 60%
- Other sections within Chapter 112 will be revised that would be affected by this change

The proposed amendments will have the effect of opening up additional licensing options for sit-down restaurants within the community to offer alcoholic beverages for sale for on-premise consumption with greater flexibility in the ratio of food to liquor sales. Provision of the annual audit will ensure continued compliance with the requirements of the proposed license classifications.

Corridor Kitchen and Tap – 18 W. St. Charles Rd

The Village has received a request for a Class “N-II-VG” liquor license (based on the proposed changes above) from Eighteen West LLC d/b/a Corridor Kitchen and Tap located at 18 W. St. Charles Road (formerly Marquette Kitchen and Tap). Corridor Kitchen and Tap’s menu will focus on small plates and appetizers but will also include sandwiches, salads and pasta dishes. Given the layout of the establishment, the applicant has expressed concern regarding the ability of the establishment, which will operate as a sit-down restaurant, to continually comply with the current Class “A/B” food and alcohol sales ratio requirements.

The Class “N-II-VG” liquor classification amendments and license request would allow alcoholic beverages served in relation to a “sit-down” restaurant with the food service constituting at least 40% of the non-video gaming gross income of the establishment. Gross annual dollar amount of liquor sales shall be more than \$100,000 but not more than \$400,000. Video gaming terminals would be allowed.

Staff met with Village Counsel who drafted the attached ordinance consistent with the recommendations. The proposed ordinance amends the Class “N” liquor license subcategories as referenced above and issues a single Class “N-II-VG” liquor license to Eighteen West LLC d/b/a Corridor Kitchen and Tap located at 18 W. St. Charles Road.

Please place this item for consideration on the April 15, 2021 Village Board agenda with a waiver of first reading.

ORDINANCE NO. _____

AN ORDINANCE AMENDING TITLE XI, CHAPTER 112 OF THE LOMBARD VILLAGE CODE IN REGARD TO ALCOHOLIC BEVERAGES AND THE CLASS "N" LIQUOR LICENSE SUBCATEGORIES, AND AUTHORIZING A NEW CLASS "N-II-VG" LIQUOR LICENSE IN RELATION THERETO

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

SECTION 1: That Title XI, Chapter 112, Section 112.12(A) of the Lombard Village Code is amended as follows:

- A. That the description of the Class "N-I" liquor license category is revised to read in its entirety as follows:

"Class "N-I" – Alcoholic beverages served in relation to a "Restaurant – Sit-Down" (as defined in Section 155.802 of this Code), with the food service constituting at least 40 percent of the gross income of the establishment. The gross annual dollar amount of alcoholic liquor sales shall not exceed \$100,000.00. Video gaming, as provided for under the Illinois Video Gaming Act, shall not be allowed on the licensed premises."

- B. That the description of the Class "N-II" liquor license category is revised to read in its entirety as follows:

"Class "N-II" – Alcoholic beverages served in relation to a "Restaurant – Sit-Down" (as defined in Section 155.802 of this Code), with the food service constituting at least 40 percent of the gross income of the establishment. The gross annual dollar amount of alcoholic liquor sales shall be more than \$100,000.00, but not more than \$400,000.00. Video gaming, as provided for under the Illinois Video Gaming Act, shall not be allowed on the licensed premises."

- C. That language shall be added thereto, relative to a new Class "N-III" liquor license category, to read in its entirety as follows:

"Class "N-III" – Alcoholic beverages served in relation to a "Restaurant – Sit-Down" (as defined in Section 155.802 of this Code), with the food service constituting at least 40 percent of the gross income of the establishment. The gross

annual dollar amount of alcoholic liquor sales shall exceed \$400,000.00. Video gaming, as provided for under the Illinois Video Gaming Act, shall not be allowed on the licensed premises.”

- D. That language shall be added thereto, relative to a new Class “N-I-VG” liquor license category, to read in its entirety as follows:

“Class “N-I-VG” – Alcoholic beverages served in relation to a “Restaurant – Sit-Down” (as defined in Section 155.802 of this Code), with the food service constituting at least 40 percent of the non-video gaming gross income of the establishment. Gross annual dollar amount of liquor sales shall not exceed \$100,000.00. The operation of Video Gaming Terminals on the licensed premises shall be allowed, so long as Video Gaming is not prohibited within the Village, provided the establishment has been issued a video gaming license by the Illinois Gaming Board in accordance with the provisions of the Illinois Video Gaming Act, and further provided the establishment shall comply with all the provisions of Chapter 112 of the Village Code, the Illinois Video Gaming Act and all rules, regulations and restrictions imposed by the Illinois Gaming Board.”

- E. That language shall be added thereto, relative to a new Class “N-II-VG” liquor license category, to read in its entirety as follows:

“Class “N-II-VG” – Alcoholic beverages served in relation to a “Restaurant – Sit-Down” (as defined in Section 155.802 of this Code), with the food service constituting at least 40 percent of the non-video gaming gross income of the establishment. Gross annual dollar amount of liquor sales shall be more than \$100,000.00, but not more than \$400,000.00. The operation of Video Gaming Terminals on the licensed premises shall be allowed, so long as Video Gaming is not prohibited within the Village, provided the establishment has been issued a video gaming license by the Illinois Gaming Board in accordance with the provisions of the Illinois Video Gaming Act, and further provided the establishment shall comply with all the provisions of Chapter 112 of the Village Code, the Illinois Video Gaming Act and all rules, regulations and restrictions imposed by the Illinois Gaming Board.”

- F. That language shall be added thereto, relative to a new Class “N-III-VG” liquor license category, to read in its entirety as follows:

"Class "N-III-VG" – Alcoholic beverages served in relation to a "Restaurant – Sit-Down" (as defined in Section 155.802 of this Code), with the food service constituting at least 40 percent of the non-video gaming gross income of the establishment. Gross annual dollar amount of liquor sales shall exceed \$400,000.00. The operation of Video Gaming Terminals on the licensed premises shall be allowed, so long as Video Gaming is not prohibited within the Village, provided the establishment has been issued a video gaming license by the Illinois Gaming Board in accordance with the provisions of the Illinois Video Gaming Act, and further provided the establishment shall comply with all the provisions of Chapter 112 of the Village Code, the Illinois Video Gaming Act and all rules, regulations and restrictions imposed by the Illinois Gaming Board."

SECTION 2: That Title XI, Chapter 112, Section 112.13(A) of the Lombard Village Code is amended by adding language relative to new Class "N-III" and "N-III-VG" liquor licenses thereto, which shall read in its entirety as follows:

**"Class "N-III" – 0
Class "N-III-VG" – 0"**

SECTION 3: That Title XI, Chapter 112, Section 112.14(A) of the Lombard Village Code is amended as follows:

- A. That the language relative to the Class "N-I" liquor license category is amended to read in its entirety as follows:

"Class "N-I" – \$625.00"

- B. That the language relative to the Class "N-II" liquor license category is amended to read in its entirety as follows:

"Class "N-II" – \$1,625.00"

- C. That language shall be added thereto, relative to a new Class "N-III" liquor license category, which shall read in its entirety as follows:

"Class "N-III" – \$2,625.00"

- D. That language shall be added thereto, relative to a new Class "N-I-VG" liquor license category, which shall read in its entirety as follows:

"Class "N-I-VG" – \$625.00"

- E. That language shall be added thereto, relative to a new Class "N-II-VG" liquor license category, which shall read in its entirety as follows:

"Class "N-II-VG" – \$1,625.00"

- F. That language shall be added thereto, relative to a new Class "N-III-VG" liquor license category, which shall read in its entirety as follows:

"Class "N-III-VG" – \$2,625.00"

SECTION 4: That Title XI, Chapter 112, Section 112.14(E) of the Lombard Village Code is amended by revising the reference to Class A/B-II-VG, Class A/B-III-VG, Class A/B-I, A/B-II or A/B-III to read as follows:

"Class A/B-I, A/B-II, A/B-III, A/B-II-VG, A/B-III-VG, N-1, N-II, N-III, N-I-VG, N-II-VG or N-III-VG"

SECTION 5: That Title XI, Chapter 112, Section 112.17(D) of the Lombard Village Code is amended as follows:

- A. The reference to "Class A/B-II-VG, A/B-III-VG, A/B-I, A/B-II and A/B-III", as contained in the first sentence thereof, is revised to read as follows:

"Class A/B-I, A/B-II, A/B-III, A/B-II-VG, A/B-III-VG, N-1, N-II, N-III, N-I-VG, N-II-VG and N-III-VG".

- B. That the last sentence thereof is revised to read in its entirety as follows:

"Failure to do so will result in the licensee being charged the license fee applicable to:

- (1) a Class A/B-III liquor license, if the current liquor license is a Class A/B-1, Class A/B-II or Class A/B-III liquor license;

- (2) a Class A/B-III-VG liquor license if the current liquor license is a Class A/B-II-VG liquor license;
- (3) a Class N-III liquor license, if the current liquor license is a Class N-I, N-II or N-III liquor license; or
- (4) a Class N-III-VG liquor license, if the current liquor license is a Class N-1-VG, N-II-VG or N-III-VG liquor license.”

SECTION 6: That Title XI, Chapter 112, Section 112.40(A) of the Lombard Village Code is amended by revising the reference therein to “A/B-II-VG, A/B-III-VG, A/B-IV-VG, D-VG, I-VG, N-I-VG, N-II-VG, S-VG, XX-VG, Z-VG, A/B-I, A/B-II, A/B-III, A/B-IV, C, D, E, EE, GGG, I, K, L-I, L-II, M, N-I, N-II, O, R, S, SS, T-I, T-II, T-III, U, V, VV, X, XX and Z liquor license holders,” to read, “A/B-II-VG, A/B-III-VG, A/B-IV-VG, D-VG, I-VG, N-I-VG, N-II-VG, N-III-VG, S-VG, XX-VG, Z-VG, A/B-I, A/B-II, A/B-III, A/B-IV, C, D, E, EE, GGG, I, K, L-I, L-II, M, N-I, N-II, N-III, O, R, S, SS, T-I, T-II, T-III, U, V, VV, X, XX and Z liquor license holders.”

SECTION 7: That Title XI, Chapter 112, Section 112.13(A) of the Lombard Village Code is amended by revising the entry relative to the Class “N-II-VG” liquor license, as contained therein, to read in its entirety as follows:

“Class “N-II-VG” – 1”

This increase in Class “N-II-VG” liquor licenses reflects the issuance of a Class “N-II-VG” liquor license to Eighteen West, LLC d/b/a Corridor Kitchen and Tap, located at 18 West St. Charles Road, Lombard, Illinois.

SECTION 8: 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 _____, 2021.

First reading waived by action of the Board of Trustees this ___ day of _____, 2021.

Passed on second reading this _____ day of _____, 2021,
pursuant to a roll call vote as follows.

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED by me this _____ day of _____, 2021.

Keith Giagnorio, Village President

ATTEST:

Sharon Kuderna, Village Clerk

Published by me in pamphlet form this _____ day of _____, 2021.

Sharon Kuderna, Village Clerk