



TOWN OF APPLE VALLEY TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** August 28, 2018
From: Lori Lamson, Assistant Town Manager **Item No:** 4
Subject: INITIATION OF A DEVELOPMENT CODE AMENDMENT REGARDING
ON-SITE CONSUMPTION OF BEER AND WINE

T.M. Approval: _____ **Budgeted Item:** Yes No N/A

RECOMMENDED ACTION:

Discuss and provide direction to staff.

SUMMARY:

At the August 1, 2018 Planning Commission meeting, there was a discussion item regarding the interpretation of the current on-site consumption of alcoholic beverages regulations within the Development Code.

The permitted use table for commercial districts in the Development Code, identifies alcoholic beverage sales as a land use category. The category then is further broken down for uses which have no on-site sales such as liquor or grocery stores and those that do, such as restaurants and taverns/bars. Alcohol sales for on-site consumption with a restaurant establishment is a permitted use while a Conditional Use Permit is required for taverns and bars. The Code does not address the on-site consumption of beer and wine within a wine tasting or micro-brewery establishment. Currently, these types of establishments fall under the category of a tavern or bar; however, their business operation may be very different and include production or sales of the beverages that are being consumed. This could be simply defined as those establishments that only serve beer and wine for on-site consumption and not hard alcohol, as provided in a traditional bar or tavern.

The Department of Alcohol Beverage Control (ABC) has many license types but within the past several years has created different license types that appear to address the increasing popularity of micro-breweries, craft distilleries, etc. The license types now seem to fill specific niches which has caused staff to raise the question with the Planning Commission regarding the interpretation or possible modifications to the Development

Code. The Town has several of these types of establishments in Town that would fit into this new category.

In their discussions on August 1st, the Planning Commission was supportive of requiring only a Special Use Permit for on-site consumption of beer and wine which can be approved administratively. They indicated support for keeping the Conditional Use Permit requirement for traditional bars that include beer, wine and hard alcohol, which requires a public hearing before the Planning Commission. Both Use Permits would allow conditions to be imposed that would address typical concerns regarding parking, loitering, hours of operation, live music and other types of entertainment. Most of the wine and beer tasting, and micro-brewery establishments provide some type of entertainment in their business models. The Planning Commission was concerned that the live entertainment should be addressed through a Conditional Use Permit. Historically, negative impacts to establishments that serve alcohol are not because of the live entertainment within the premises. Negative impacts typically pertain to loitering outside the establishment, lack of security, underage drinking and repetitive calls for service. These issues can still be monitored through conditions of approval in any use permit and possibly require a Conditional Use Permit for any outside or patio entertainment due to noise issues.

If the Town Council concurs that a Development Code Amendment should be initiated to allow the Planning Commission and staff to formulate new regulations for the Town Council's consideration, an affirmative action in the form of a motion, to allow staff to move forward with this initiation, would be appropriate.

FISCAL IMPACT:

Not Applicable