Add info #46 & #47

JUL 09 2015

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MEMORANDUM **Management Services Memo No. 16-005**

DATE: JULY 6, 2015

TO: MAYOR AND COUNCIL

THRU: MARSHA REED, ACTING CITY MANAGER
DAWN LANG, MANAGEMENT SERVICES DIRECTOR

FROM: MATT DUNBAR, REVENUE & TAX MANAGER

SUBJECT: STACKED LIQUOR LICENSES

BACKGROUND: In response to questions raised by members of the Council, the Management Services Department was asked to provide additional information about what the State liquor board calls "stacked" liquor licenses, including examples of when these licenses are appropriate.

DISCUSSION: Tonight's Study Session agenda includes a restaurant requesting a series 12 Restaurant License (item #46) and a series 7 Beer and Wine Bar License (item #47). With the series 12 License the establishment can sell any spirituous liquor, but needs to have at least 40% of its sales be from food to maintain that licenses. There is no percentage requirement for food sales for a series 7 Beer and Wine Bar License, but the establishment can only sell beer and wine (not spirits). This would allow a restaurant that is not meeting the minimum 40% requirement to maintain sales of beer and wine under their series 7 liquor license.

Another reason to have stacked licenses is that a series 7 license allows the establishment to sell beer and wine for on-premise *or* off-premise consumption. With a series 12 the establishment can only sell spirituous liquors for on-premise consumption. This would allow an establishment with a series 7 license to sell beer growlers and wine bottles for use off site.

Other examples of stacked licenses occur when a restaurant with a series 12 license also has a Micro-brewery series 3 license, which would allow them to brew on-premise and sell either on or off-premise to individuals or to others licensed to sell beer. Enclosed is a document from the State liquor board that shows which licenses can be "stacked" together by an establishment.

If you have any further question please contact Matt Dunbar at 782-2257.

Attachment

cc: Nachie Marquez, Assistant City Manager

Multiple Licenses Permitted At One Location

AKA "stacked" licenses

The following liquor license combinations may be "stacked", the general definition being multiple, active liquor licenses operating at one physical location, and under the same ownership. An exception to this general definition (marked by an asterisk* in the table below) is the series 3/13 combination, which have more restrictive requirements. Requirements for the 3/13 combination, are briefly explained below the table (A.R.S. §4-205.09). Also, Remote Tasting Rooms are not located at the same premises, but require that either an active series 13 or 18 license be hold simultaneously.

License Series	License Name	Authorizing Statute	Retail Privileges	May Stack With
1	In-state producer	A.R.S. §4-209	n/a	6, 7, 12
2 2D 2L 2M 2W	Out-of-state producer Includes out-of-state: producer – 2 craft distiller – 2D, limited winery – 2L, microbrewery – 2M, farm winery licenses – 2W	A.R.S. §4-209	n/a	n/a
3	In-state Microbrewery	A.R.S. §4-205.08 A.R.S. §4-205.09	On & Off	6, 7, 12, 13*
4	Wholesaler/distributor	A.R.S. §4-209	n/a	n/a
5	Government	A.R.S. §4-205.03	n/a	n/a
6	Bar	A.R.S. §4-206.01 A.R.S. §4-209	On & Off	1, 3, 10 18
7	Beer and Wine Bar	A.R.S. §4-206.01 A.R.S. §4-209	On & Off	1, 3, 9, 9S, 10, 10S, 12
8	Conveyance	A.R.S. §4-205.07	n/a	n/a
9 9S	Liquor Store Liquor Store w/Sampling Priv.	A.R.S. §4-206.01 A.R.S. §4-209	Off	7
10 10S	Beer and Wine Store B&W Store w/Sampling Priv.	A.R.S. §4-209	Off	6, 7
11	Hotel/Motel w/Restaurant	A.R.S. §4-205.01 A.R.S. §4-205.06	n/a	n/a
12	Restaurant	A.R.S. §4-205.02	On	1, 3, 7, 13, 18
13	In-state Farm Winery	A.R.S. §4-205.04 A.R.S. §4-205.09	On & Off	3*, 13**, 12, 18,
14	Private Club	A.R.S. §4-205	n/a	n/a
15	Special Event	A.R.S. §4-203.02(B) A.R.S. §4-205.04 A.R.S. §4-205.10	On & Off	any in-state liquor licensed premises and 16W, 16D
16W 16D	Fair/Festival includes wine fair/festival – 16W craft distiller fair/festival – 16D	A.R.S. §4-203.02 A.R.S. §4-203.03 A.R.S. §4-205.11	On & Off	15
17	Direct Shipment	A.R.S. §4-203.04	n/a	n/a
18	In-state Craft Distiller	A.R.S. §4-205.04 (G) A.R.S. §4-205.10 (C)(4)	On & Off	6, 12, 13
19D 19W	Remote Tasting Room Includes: craft distillers tasting room – 19D farm winery tasting room – 19W	A.R.S. §4-205.04 A.R.S. §4-205.09 A.R.S. §4-205.10 (C)(4)	n/a	n/a

* A.R.S. §4-205.09 permits a microbrewery (series 3) and farm winery (series 13) to be located on the same parcel of land, in separate building structures, and held by different ownership. Therefore, these two licenses (3 and 13) are "stacked" only by proximity, not by ownership or operations occurring at the same physical location. They may, however, share a tasting room.

* * A.R.S. §4-205.04(D) and (E) permit custom crush and alternating proprietorship agreements. Each entity must be licensed as a series 13 to participate in either arrangement, therefore operating more than one series 13 at one licensed location simultaneously.

The liquor license application has been revised to allow applicants to submit a single application for multiple licenses if the licenses applied for may be "stacked" as described above.

Fees will be based on the number of licenses per application, not by the number of applications submitted. For example, when two licenses are applied for on one application, two non-refundable application fees will be charged. The same will apply for interim permits, transfer of ownership/location, and all other multiple-license transactions.

Liquor licenses issued must be displayed in a conspicuous, public area, one (1) license per license series.

A.R.S. §4-243.01(A)(3)(a)-(e) states that it is unlawful for a retailer to order, purchase, or receive liquor from any source other than a wholesaler, farm winery or microbrewery.

A.R.S. §4-206.01(G) The holder of each license (series 7 & 9) shall fully comply with all applicable provisions of this title.

A.R.S. §4-206.01(K) (series 7 and 10) when stacked, all spirituous beverages purchased for sampling are conclusively presumed to be purchased under the beer and wine bar license and all spirituous liquor sold off-sale are conclusively presumed to be purchased under the beer and wine store license.

A.R.S. §4-206.01(L) (series 6 and 10) for purposes of reporting liquor purchases under each license, all off-sale beer and wine sales are conclusively presumed to be purchased under the beer and wine store license. It is the responsibility of the license to keep separate and accurate liquor inventory/reporting records for each license. When stacked, separate reporting for each license is a requirement.

A.R.S. §4-206.01(J)(6) Accurate records of sampling products dispensed shall be retained by the licensee.

A.R.S. §4-119 A licensee shall retain records for two years.

R19-1-317 The licensee shall comply with all of the requirements for the type of license issued for their establishment. The Department has the discretion to conduct liquor inspections to verify compliance and, if necessary, order an audit of the business.

#47
JUL 09 2015
Chandler

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All-America City
2010

MEMORANDUM Management Services Department – Council Memo No. MR16-002

DATE: JULY 9, 2015

TO: MAYOR AND COUNCIL

THRU: MARSHA REED, ACTING CITY MANAGER
DAWN LANG, MANAGEMENT SERVICES DIRECTOR
MATTHEW DUNBAR, REVENUE AND TAX MANAGER

FROM: BONNIE BODDY, CUSTOMER SERVICE SUPERVISOR

SUBJECT: NEW LICENSE SERIES 12 RESTAURANT LIQUOR LICENSE APPLICATION FOR KIMBERLY RAE RUBENS, AGENT, K&R RUBENS ENTERPRISES LLC, DBA THE WILD VINE UNCORKED

RECOMMENDATION

Staff recommends Council forward a recommendation for approval of State Liquor License No. 1207A240, and further, that approval be given for the City of Chandler Series 12, Restaurant Liquor License No. 158659 L12, for Kimberly Rae Rubens, Agent, K&R Rubens Enterprises LLC, dba The Wild Vine Uncorked, located at 4920 S. Gilbert Road, Suite A1-A3.

DISCUSSION

The following application for a liquor license was posted for hearing on June 11, 2015, at which time it was continued until July 9, 2015:

> New License, Series 12, Restaurant Liquor License for Kimberly Rae Rubens, Agent, K&R Rubens Enterprises LLC, dba The Wild Vine Uncorked, located at 4920 S. Gilbert Road, Suite A1-A3.

The Police Department reports no objections to the issuance of this license, and no written protests pursuant to A.R.S. 4-201(B) have been received. All licenses, permits, and fees have been paid, and the applicant is in compliance with the City's Tax Code. With a Series 12, Restaurant Liquor License, the business may sell all liquors for on-premise consumption only, with a minimum of 40% of the gross receipts from the sale of food.

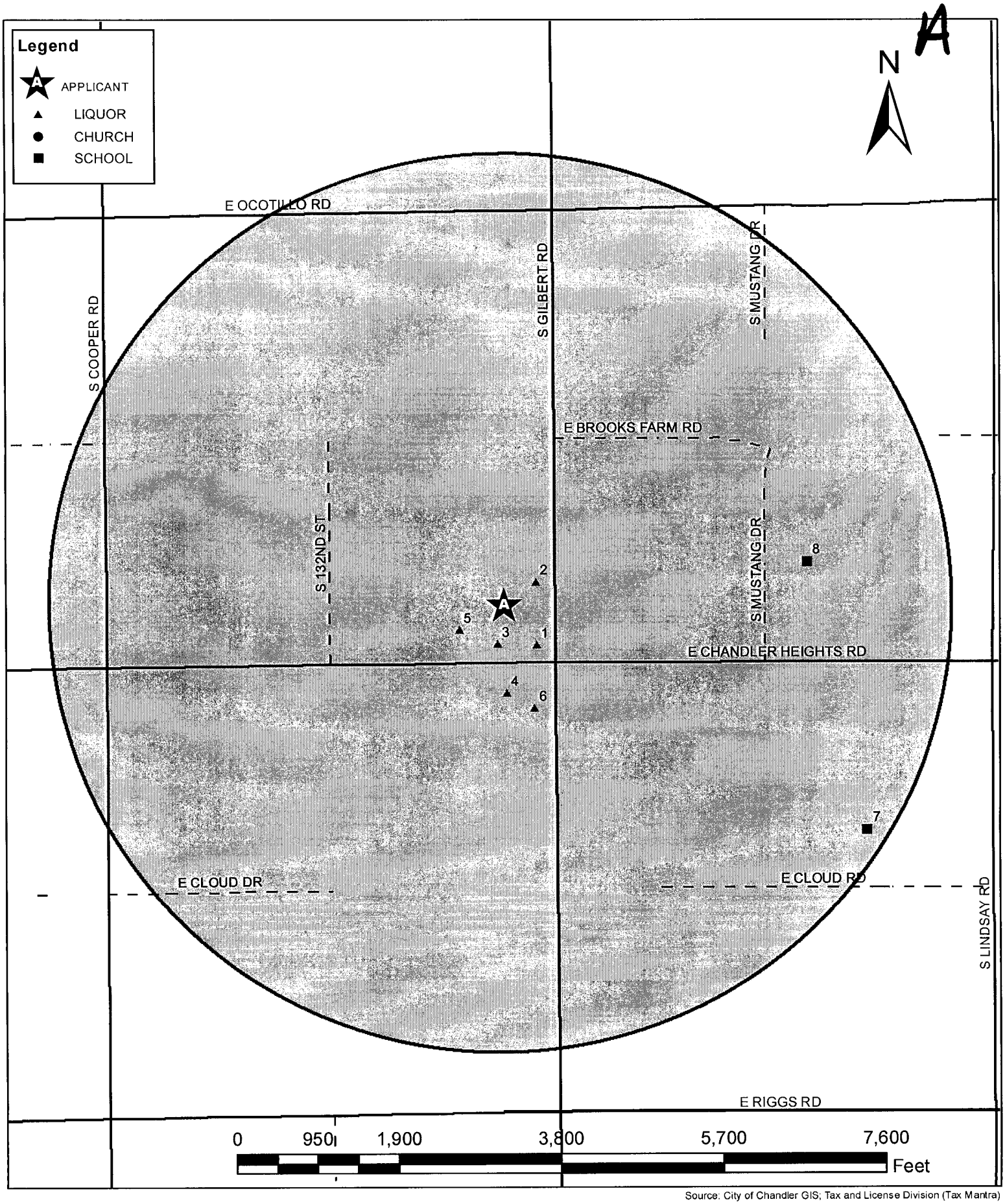
In addition to the request for a Series 12, Restaurant Liquor License, the applicant is also requesting a Series 7, Beer and Wine Bar Liquor License. The combination of the two licenses provides the applicant the benefit of excluding Beer and Wine sales from the calculation of the 40% food requirement for the series 12, Restaurant Liquor License.

The applicant's Use Permit through Transportation and Development is also scheduled for this meeting.

PROPOSED MOTION

Move for recommendation to the State Department of Liquor Licenses and Control for approval of the Series 12, Restaurant Liquor License, for Kimberly Rae Rubens, Agent, K&R Rubens Enterprises LLC, dba The Wild Vine Uncorked, located at 4920 S. Gilbert Road, Suite A1-A3, and approval of City of Chandler Liquor License.

Attachments: A – Geographical Map
B – Site Layout



Source: City of Chandler GIS; Tax and License Division (Tax Mantra)

Liquor License Map - 4920 S. Gilbert Road

This map shows the locations of all churches, schools and spirituous liquor outlets within a one (1) mile radius of the proposed location.

Please refer to attached list for additonal information

A THE WILD VINE UNCORKED
1 HONG KONG BISTRO
2 FAT WILLY'S FAMILY SPORTS GRILL
3 TONY SACCO'S COAL OVEN PIZZA
4 CREOLE CAJUN BISTRO
5 BASHAS #161
6 CVS/PHARMACY #7075
7 CARLSON ELEMENTARY
8 RYAN ELEMENTARY SCHOOL

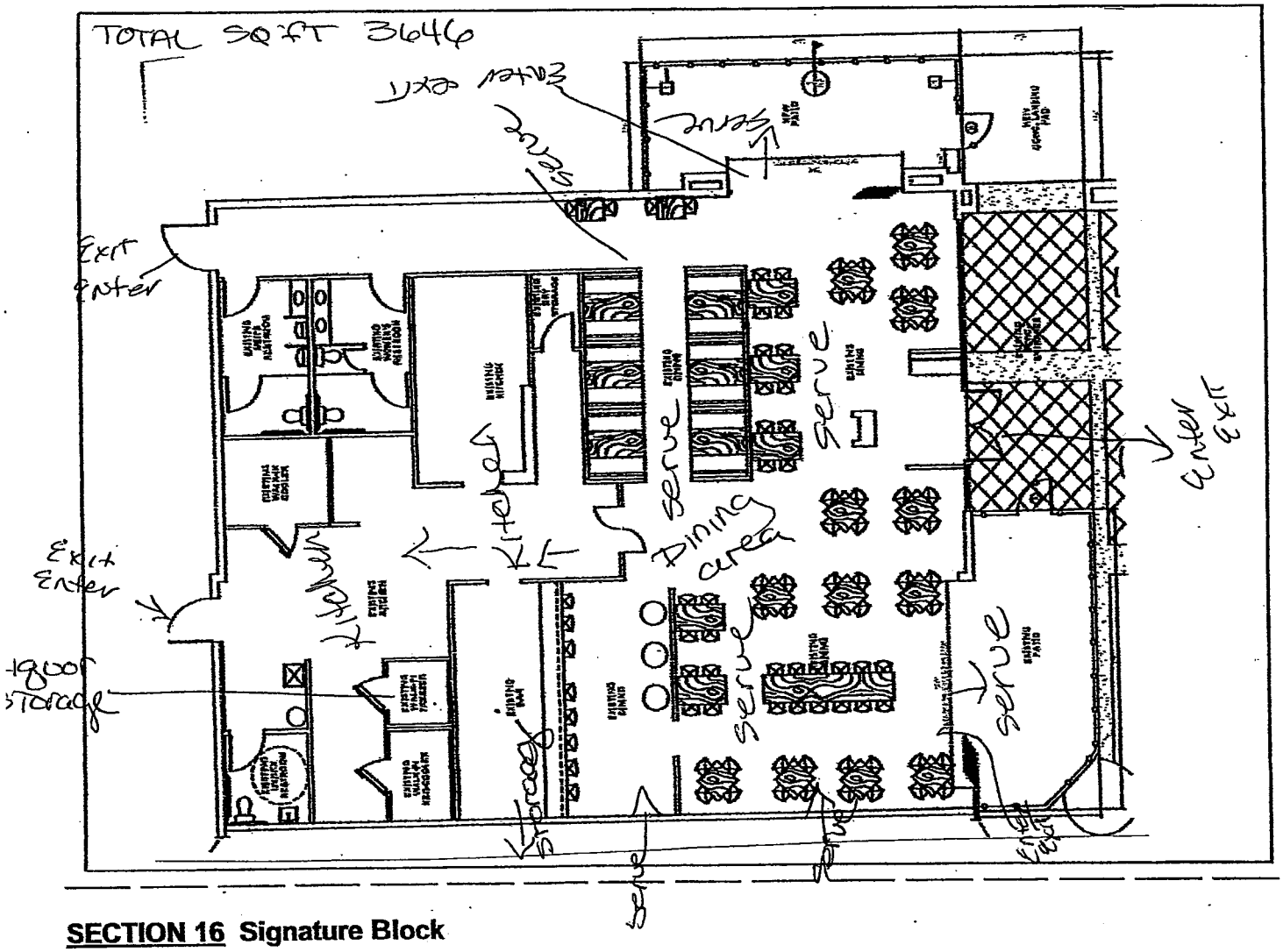
NOTE: The information provided on this page represents all active Liquor Licenses which may include businesses in transition to a new owner/use. Therefore, the prior business name may still be listed since the license has not been final closed.

SECTION 15 Diagram of Premises

B

4. In this diagram please show only the area where spirituous liquor is to be sold, served, consumed, dispensed, possessed or stored. It must show all entrances, exits, interior walls, bars, bar stools, hi-top tables, dining tables, dining chairs, the kitchen, dance floor, stage, and game room. Do not include parking lots, living quarters, etc. When completing diagram, North is up ↑.

If a legible copy of a rendering or drawing of your diagram of premises is attached to this application, please write the words "diagram attached" in box provided below.



SECTION 16 Signature Block

I, Kimberly Rae Rubens, hereby declare that I am the OWNER/AGENT filing this
(print full name of applicant)

application as stated in Section 4, Question 1. I have read this application and verify all statements to be true, correct and complete.

X _____
(signature of applicant listed in Section 4, Question 1)

State of ARIZONA County of MARICOPA

OFFICIAL SEAL
DEBBIE WUNDERLY
NOTARY PUBLIC - State of Arizona
MARICOPA COUNTY
My Comm. Expires April 15, 2016

The foregoing instrument was acknowledged before me this

7 of APRIL, 2015
Day Month Year

Debbie Wunderly
signature of NOTARY PUBLIC

My commission expires on : _____
Day Month Year