



## Legislation Details (With Text)

**File #:** 17-1178      **Version:** 1      **Name:**  
**Type:** Resolution      **Status:** Mayor's Office  
**File created:** 7/31/2017      **In control:** City Council  
**On agenda:** 9/12/2017      **Final action:** 9/12/2017  
**Title:** A resolution accepting and adopting the Liquor and Beer Rules and Regulations for The City of Colorado Springs

**Presenter:**  
Sarah B. Johnson, City Clerk  
Lee McRae, License Enforcement Officer

**Sponsors:** Lee McRae

**Indexes:**

**Code sections:**

**Attachments:** 1. Clerk-LiquorBoardRulesRES-2017-07-27, 2. Clerk-LiquorBoardRulesRES-EXHIBITA-2017-08-22, 3. Clerk-EntDistrictLIQUOR\_RULES-2017-08-22-redline, 4. Signed Resolution 95-17

Date	Ver.	Action By	Action	Result
9/12/2017	1	City Council	adopted	Pass
8/22/2017	1	City Council	postpone to a date certain	Pass
8/7/2017	1	Council Work Session	referred	

A resolution accepting and adopting the Liquor and Beer Rules and Regulations for The City of Colorado Springs

### **Presenter:**

Sarah B. Johnson, City Clerk  
Lee McRae, License Enforcement Officer

### **Summary:**

Presentation to discuss proposed ordinances and resolutions to authorize and implement Entertainment Districts, including regulations for associated Promotional Association Common Consumption Areas.

### **Previous Council Action:**

City Council last amended the City's Liquor and Beer Rules and Regulations in 2016, and passed Resolution 78-19 to add a Lodging and Entertainment Liquor License type.

On May 8, 2017, an informational presentation was provided to City Council, with Council direction to draft proposed ordinances and regulations for implementation of Entertainment Districts.

### **Background:**

This Resolution amends the City's current Liquor Rules and Regulations by adding the process and regulations for the promotional associations and common consumption areas authorized to operate

within a City Council approved entertainment district (see companion enabling Ordinance and sample Resolution in file #17-973).

Unlike other Colorado Jurisdictions that have enacted entertainment districts, Colorado Springs has a significantly higher land mass and therefore the potential for multiple entertainment districts located throughout the City. In that light, it is important to maintain standard processes and operational requirements for all applicants, including relative/related fee assessments, but with mindfulness to the size or location of a particular promotional association's common consumption area. As a result, the proposed new rule 19.00 of the *Liquor and Beer Rules and Regulation for the City of Colorado Springs* outlines a two tiered approach for regulating entertainment district promotional associations and common consumption areas. First, are the general regulations applicable to all applicants and associations. Second, are the supplementary regulations for those common consumption areas which require use of the City's public right of way or closure of any street, alleyway, or parking lot to vehicular traffic or to limit pedestrian traffic. If a proposed common consumption area falls into the latter category, the proposal is to direct further review and implementation through the existing City's Special Event application process facilitated by the Parks, Recreation, and Cultural Services Department. This includes review in conjunction with other City departments to ensure proper street closures, barricades, sufficient security, etc. The additional Special Event application fees and associated costs would, of course, be the responsibility of the promotional association. Common consumption areas which boundaries are contained indoors or through common patio areas and do not require any of the noted closures would not need to go through this additional process/review or incur those associated costs.

After the application and certification process is completed for the initial few applicants (likely only 2-3 in the first year), the City Clerk's Office will review issues and recommend to City Council needed changes to the process or regulations, if any. Amendments or changes that may be needed for regulating the activities of a promotional association or the applicable common consumption area(s) would be enacted by City Council resolution amending the *Liquor and Beer Rules and Regulations for the City of Colorado Springs*.

The proposed amendments also contain the following "housekeeping" updates: (i) changing the name of the City liquor rules to the *Liquor and Beer Rules and Regulations for the City of Colorado Springs*; (ii) changing the approval process for transfers of ownership to an administrative function of the City Clerk; (iii) clarifying the standard of evidentiary proof necessary for applicants to demonstrate neighborhood needs and desires and inspection requirements; and (iv) adding the new Campus Complex Related Facility permit enacted by Colorado House Bill 17-1120.

Additionally, the proposed amendments reduce certain liquor permit fees to align with recent State Liquor Enforcement Division (LED) interpretation of local license fees that are subject to the State Old Age Pension (OAP) fund contribution as is required in C.R.S. § 12-47-502(2). Previously, local liquor permit fees were not subject to the OAP contribution, as they were not considered "licenses." The LED, however, has determined that since the listing of mandated local license fees in C.R.S. § 12-47-505 includes local liquor permit fees, that all of those fees are subject to the OAP contribution calculation. Therefore, as is already the case for all other local liquor license fees, 85% of the local fees for Resort Related Facility Permits, Bed & Breakfast Permits, Art Gallery Permits, and Higher Education Campus Complex Related Facility Permits are now to be paid to the Colorado Department of Revenue to be transmitted to the OAP. Special Event Liquor Permit fees are not subject to this calculation, as that permitting code, process, and fees are governed by a different Article of Title 12 (C.R.S. § 12-48). This change in interpretation of the local fees subject to the OAP contribution will

cause a reduction of at least \$3,500 in permit fees collected by the City annually.

This item supports the City's strategic goals relating to Building Community and Collaborative Relationships and Excelling at City Services. Through the discussion and input from stakeholders and City departments, the proposals for allowing and enacting Entertainment Districts balance the enforcement and regulatory needs for consumption of alcohol beverages in defined public spaces with the desire to streamline and limit the bureaucratic process.

#### **Financial Implications:**

Pursuant to C.R.S Section 12-47-301(11)(f), the local "authority shall establish the fee in an amount designed to reasonable offset the cost of implementing" entertainment district and common consumption areas. Proposed application fees outlined in this resolution for amending the Liquor and Beer Rules and Regulations for the City of Colorado Springs are intended to adequately cover the costs associated to the review and certification of promotional associations and common consumption areas, including the required neighborhood needs and desires element and public comment process.

A "base" application fee of \$700 is proposed with an additional \$100 application fee for each participating liquor licensed establishment the promotional association requests being attached to a common consumption area. As proposed, a re-certification application with no changes would incur a \$250 application fee, and a modification of the boundary of a common consumption area would be \$500, as there would be a similar neighborhood needs and desires element and public comment process to that of a new application.

These fees are in addition to any applicable associated costs and fees required as a part of a Special Event application and review for common consumption area(s) that require the use of the City's public right of way or closure of any street, alleyway, or parking lot to vehicular traffic. It is likely that only two to three applications would be received in the first year.

State changes to the OAP contribution of local liquor fees will reduce City permit fee collection by at least \$3,500 annually.

#### **Board/Commission Recommendation:**

Entertainment District general information, along with other proposed housekeeping Liquor Code and Rules changes were being presented to the City's Liquor and Beer Licensing Board on August 4, 2017. Proposed changes to the code and rules are scheduled for action at the August 18, 2017 Liquor Board meeting, to be forwarded to City Council for consideration/action.

#### **Stakeholder Process:**

Several meetings and follow up discussions were held with representatives of interested liquor licensees and organizations, where initial draft language was presented for comment and suggestions. City Council liaison for Chapter 2, Bill Murray, was also briefed and commented on the proposals.

#### **Alternatives:**

Set item for approval to coincide with second reading of companion Ordinance (estimated 9/26/2017).

Remand item for further changes or discussion.

**Proposed Motion:**

Postpone action on a resolution accepting and adopting the Liquor and Beer Rules and Regulations for The City of Colorado Springs to the City Council meeting of September 26, 2017.

N/A