

REPORT TO CITY COUNCIL

DATE: MARCH 26, 2008

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER

BY: MIKE KAMINO, DIRECTOR OF PLANNING AND COMMUNITY DEVELOPMENT

SUBJECT: BUDGET WORKSHOP – SPECIAL STUDY – SALE OF ALCOHOLIC BEVERAGES

The purpose of this item is to receive direction from the City Council regarding the possibility of conducting a special study for the purposes of exploring options for further regulating businesses that sell or serve alcohol.

The State Department of Alcoholic Beverage Control (ABC) regulates the sale of alcohol through the issuance of liquor licenses and enforces state liquor laws. A certain number of licenses are issued geographically and other separational requirements also apply. Individual background checks are also conducted as part of the ABC license application.

There are two general categories of alcohol sales. Liquor stores and other retails stores such as grocery, convenience, and wholesale stores that sell alcohol to be consumed off the premises are known as “off-sale” establishments. Businesses, such as bars and taverns, as well as eating establishments that sell alcohol to be consumed within the premises are known as “on-sale” establishments.

In addition to the ABC regulations, many cities throughout California regulate both on-sale and off-sale establishments from a land use standpoint through the zoning ordinance. The City of Agoura Hills zoning ordinance permits off-sale of alcohol only in the CS (Commercial Shopping Center) and CRS (Commercial Retail Service) zones and in the BP-OR (Business Park-Office Retail) zone west of Palo Comado Canyon Road. Moreover, off-sale of alcohol is strictly prohibited in the Freeway Corridor Overlay zone. On-sale establishments such as restaurants, including those with live entertainment, are subject to a Conditional Use Permit (CUP). These regulations are intended to ensure compatibility with adjacent uses and the CUP process provides the opportunity for public input. A special study could be prepared to identify options to consider regarding additional regulations or reviews for both on- and off-sale establishments. These could include further restrictions on locations where alcohol sales or service is permitted and requirements or additional findings for a CUP which provide the ability for the City to include conditions of approval that deal specifically with neighborhood compatibility issues that may potentially arise from a particular use at a particular location.

An issue that has arisen is the additional costs for law enforcement associated with establishments that serve alcohol. Particularly, live entertainment uses with alcohol service have presented situations where additional calls for service have been required. While it is possible to minimize impacts on public safety through the CUP by regulating the operational aspects of the business, such as the hours of operation, the scope of activities, and private security, in certain instances calls for law enforcement become necessary. A special study would identify options for cost recovery, such as a tax or fee, and ramifications associated with each option.

RECOMMENDATION

Staff respectfully requests direction from the City Council on whether to prepare a special study on exploring options for further regulating businesses that sell or serve alcohol.