



HOLLADAY CITY COUNCIL SUMMARY REPORT

MEETING DATE:

AGENDA ITEM:

SUBJECT: Copper Kitchen Text Amendment- Dining Club (liquor) in the HV zone

SUBMITTED BY: Loni Lowder, Copper Kitchen

SUMMARY:

Attached to this staff report is a letter from the owners of the Copper Kitchen restaurant located in the Holladay Town Center building. As the letter explains they would like to add a "Dining Club License" to their operations in order to better serve their clientele. They currently have a "Restaurant-Full Service" license in that location.

Also attached to this staff report is a copy of the DABC's overview of the four "Club" license requirements (*Dining, Fraternal, Equity and Social*).

As noted, these licenses require the sale of food at the business as well as allowing the sale of the full range of alcoholic beverages. Although the operators of the Copper Kitchen would like to add a separated "bar" area to their operations, their intent is to maintain the restaurant as their primary business and do not intend to extend their regular hours of operation to accommodate additional alcohol sales. *Hours of operation in the HV Zone are: 6:00 am to Midnight.*

RECOMMENDATION:

On October 20, 2015, the Planning Commission held a public hearing on this matter. There were no citizens who spoke. The Commissioners discussed the use and its application in the zone and voted unanimously to recommend the Council allow a "Dining Club" as a conditional use in the HV zone.

CONTACT PERSON:

Loni Lowder, Copper Kitchen

EXHIBITS:

- Letter from Copper Kitchen
- Summary of the DABC Club license rules
- Draft of Table 13.100.01, Allowed Uses
- PC meeting minutes (when available)

13.100.010: TABLE OF ALLOWED USES:

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Use	All FR Zones	R-1-4, R-1-8, R-1-10, R-1-15	R-1-21, R-1-43, R-1-87	R-2-8/R-2-10	R-M	O-R-D	P	RO	NC	C-1	C-2	HV	R/M-U	LU
Accessory Uses*														
Alcoholic beverage retail sales ¹⁴													See site development master plan (SDMP)	See chapter 13.63 of this title
Brewery	-	-	-	-	-	C	-	-	-	-	C	-		
Club, dining	-	-	-	-	-	C	-	-	-	-	C	C		
Club, equity	-	-	-	-	-	C	C	-	-	-	C	-		
Club, fraternal	-	-	-	-	-	C	-	-	-	-	C	-		
Club, social	-	-	-	-	-	C	-	-	-	-	C	-		
Off premises	-	-	-	-	-	-	-	-	P	P	P	P		
On premises banquet and catering	-	-	-	-	-	C	P	-	-	-	C	P		
On premises beer retailer	-	-	-	-	-	P	P	-	-	-	P	P		
Restaurant - full service	-	-	-	-	-	P	P	-	P	P	P	P		
Restaurant - limited service	-	-	-	-	-	P	P	-	P	P	P	P		
Special event permit	-	P	P	P	P	P	P	-	P	P	P	P		

Notes:

* Includes accessory buildings and uses customarily incidental to a permitted or conditional use.

1. See section [13.76.240](#), "Animal And Fowl Restrictions", of this title.
2. See section [13.76.715](#), "Bed And Breakfast", of this title.
3. See section [13.76.720](#), "Home Daycare/Preschool", of this title.
4. See section [13.76.725](#), "Home Daycare/Preschool, Small", of this title.
5. See section [13.76.730](#), "Home Occupation", of this title.
6. See section [13.76.735](#), "Short Term Rental", of this title.
7. Reserved.
8. See section [13.76.750](#), "Resource Recycling Collection Facility", of this title.
9. See section [13.14.110](#), "Accessory Buildings", of this title.
10. Provided the area is not in a watershed area.
11. See [title 8](#), "Animals", of this code.
12. See section [13.76.260](#), "Commercial Daycare/Commercial Preschool Facilities", of this title.
13. See sections [13.76.250](#), "Temporary Sales/Seasonal Sales Permit", and [13.76.501](#), "Temporary Uses", of this title.
14. When accessory to a permitted or conditional use.
15. Subject to well source protection ordinance.
16. May not exceed 10,000 square feet of gross floor area.
17. By contract with public entity only.

(Ord. 2014-15, 8-21-2014)

To Whom It May Concern,

This letter is being written to express the conceptual intent of the CO Hospitality group's owners and management team on behalf of Copper Kitchen restaurant to the city council members of The City of Holladay, UT. We hope to discuss the possibility of allowing club licenses, issued by the Utah Department of Alcoholic Beverage Control (UDABC), to operate in Holladay, UT. Our hope is to continue operating as a restaurant as a dual-license holder with a separate and isolated bar area with-in the restaurant as it currently exists. We also wish to continue to operate under our current hours of operation, as a restaurant, instead of expanding to "bar hours" with a 1am closing time. We have several hopes that we believe will help our restaurant concept and culture, as well as our guests, and the City of Holladay by allowing club licenses to operate:

1. Conceptual Completion – We operate with complete transparency to our guests. We intentionally build open kitchens to expose our cooks, the quality of our food, and the cleanliness of our facilities. We share recipes and standards with our guests and friends. We expose as much of our operations and culture as possible with the public with exception of our bar. Our current restaurant license forces us to operate with the Zion Curtain which hides our staff, product, and production of drinks coming out from the bar.
2. Increased Hospitality – First and foremost, we have had a large amount of our guests requesting an open bar since we open. Our clientele enjoys the interaction and face to face experience with their bartender; as do we. A huge part of our staff being involved in the hospitality industry is the interaction with their guests – the socialization and ability to connect with people is a driving factor for us. Our service staff acts as personal concierges for their guests (especially with tourists). They direct them to other local business, attractions, and activities.
3. Tourism Exposure – We feel that the increase of licensing options and destinations can and will directly benefit the entire community by being able to add that additional hospitality for those that visit us. We would love to see more tourists (business and pleasure oriented) intently visiting Holladay and our surrounding neighbors instead of the typical Salt Lake City and Park City destinations and know we could benefit from the exposure as a business, a neighborhood, and a community.

We believe that the addition of club licensing could greatly enhance the operational options of a lot of licensees that currently exist in the City of Holladay, but have heard first hand from a few members of the City that there is a very real fear of attracting seedy operators and unsavory business practices. Please remember that each potential club license holder (as exists currently with restaurant licenses) will still have to include a 'local consent' form that, no doubt, many of you have seen already while applying for a license with the UDABC. This continues to give control to local representatives to pass or deny licenses that they feel may benefit or hinder the growth of the City of Holladay. Please feel free to review the requirements of the UDABC (including the local consent form) at the website listed below:

http://abc.utah.gov/license/documents/application_club.pdf

We look forward to discussing these possibilities with you and hope we can agree on a decision that will ultimately benefit the City of Holladay.

Thank you for your time,

CO Hospitality Group
111 E Broadway, Suite 170
Salt Lake City, UT 84111
801.355.0888

UTAH DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

P.O. Box 30408 • Salt Lake City, UT 84130-0408 • Ph: 801-977-6800 • Fax: 801-977-6889 website:
www.abc.utah.gov

Club Liquor License Summary

Note: This is general information only and should not be considered conclusive. For further detail, please consult Title 32B of the Utah Code (<http://le.utah.gov/UtahCode/chapter.jsp?code=32B>) or the Rules of the Commission (<http://www.rules.utah.gov/publicat/code/r081/r081.htm>)

A club liquor license allows the sale, storage, service, and consumption of alcoholic beverages (liquor, wine, heavy beer, and beer) on the premises. Licenses run from July 1 to June 30. The total number of licenses allowed by law is one per 7,850 people in the state.

There are four types of clubs:

- Equity clubs such as country clubs.
- Fraternal clubs such as mutual benefit associations that are organized under a lodge system such as fraternal or patriotic clubs.
- Dining clubs:
 - must have a portion of the premises used for a dining area, and adequate culinary facilities to serve full meals,
 - *Effective July 1, 2011:* dining clubs must maintain at least 60% of their overall sales in food sales except that any dining club that was licensed on or before June 30, 2011 may maintain 50% food sales until July 1, 2012, but must then maintain 60%. Expensive wines in excess of \$250 per bottle are not included in calculating the food to alcohol ratio.
- Social clubs include any other club that does not qualify as an equity, fraternal or dining club, such as a social drinking club that does less than 50% of its business from the sale of food.

Club Structure:

- Licenses may be issued to sole proprietors, partnerships, corporations, or limited liability companies.
- An equity or fraternal club must have a governing body comprised of at least three members that holds regular meetings to approve memberships (and conducts any other business required by the club's bylaws or house rules).
- Dining and social clubs are open to the public but the club licensee may choose to restrict access to only those who are on a list and/or pay a fee.

Membership Requirements are only applicable to Equity and Fraternal Clubs:

- Qualifications for membership are set in the club's bylaws or house rules, however a member must be an individual who is 21 years of age or older.
- *Membership Applications.* A club may admit an individual as a member only on written application signed by the applicant subject to investigation, vote and approval of the governing body. The applicant must pay an application fee and membership dues as established in the club's bylaws or house rules.
- A member(s) spouse is entitled to all rights and privileges of the member to the extent permitted by the bylaws or house rules of the club, except to the extent restricted by law (i.e. a spouse who is a minor, cannot be in a bar area, purchase or consume alcohol, etc.).
- A minor child of a member is entitled to all rights and privileges of the member to the extent permitted by the club's bylaws or house rules, except to the extent restricted by law (i.e. cannot be in a bar area, purchase or consume alcohol, etc.).
- A patron, in order to be admitted to or use the premises of an equity or fraternal club, and/or to purchase alcoholic beverages at the club, must be a club member, or guest of a member to the extent permitted in the club's bylaws or house rules. (see below: Guest Hosting applicable to Equity and Fraternal Clubs)

Guest Hosting applicable to Equity and Fraternal Clubs:

- Guests
 - must be previously authorized by a member;

- allowed to use the premises to the extent permitted by the club's bylaws or house rules;
- have only those privileges derived from the host for the duration of the guest's visit.
- The club and its employees may not enter into an agreement or arrangement with a member to indiscriminately host members of the general public into the club as guests.
- An individual is allowed as a guest without a host:
 - in an equity club, if the individual is member of another equity club that has reciprocal guest privileges with the equity club licensee, or
 - in a fraternal club, if the individual is a member of the same fraternal organization as the fraternal club licensee.

Sale and Service of Alcoholic Beverages:

(1) Liquor Sales:

- (a) The primary liquor in a mixed drink may be dispensed from any size bottle, but only in quantities **not to exceed** 1.5 ounces through a department approved calibrated metered dispensing system or device. The club must post a list of types and brands of liquor dispensed through the dispensing system.
- (b) Liquor used as a secondary flavoring need not be dispensed through the dispensing system. Liquor stored and used as flavorings must be clearly labeled "flavoring".
- (c) The total amount of spirituous liquor in a beverage (including both the primary liquor and any secondary flavorings) may not exceed 2.5 ounces of spirituous liquor.
- (d) Each patron may have no more than a total of 2.5 ounces of spirituous liquor (including flavorings) at a time before the patron.

(2) Wine Sales:

- (a) Wine may be sold and served by the bottle or container in sizes not exceeding 1.5 liters to tables of four or more. For tables of less than four, the size can not be larger than 750 ml.
- (b) Wine may be served by the glass or individual portion in quantities not exceeding 5 ounces. An individual portion (i.e. "flights") may be served to a patron in more than one glass as long as the total amount of wine in the individual portion does not exceed 5 ounces. An individual portion of wine is considered one alcoholic beverage.
- (c) Wine may be poured by the glass from any size bottle or container and need not be dispensed through a dispensing device.
- (d) Unfinished wine may be removed from a club by a patron if the bottle is re-corked or recapped.

(3) Heavy Beer Sales: Heavy beer may be served in original containers not exceeding one liter.

(4) Flavored Malt Beverage Sales: Flavored malt beverages may be served in original containers not exceeding one liter.

(5) Beer Sales: Light beer may be served in any size container not exceeding 2 liters and on draft. Beer may be sold to an individual patron only in a container that does not exceed one liter. A pitcher (larger than one liter and up to two liters) may only be sold to parties of two or more. Beer may be sold to go in sealed containers.

Limitation on Total Number of Drinks:

Each club patron may have no more than two alcoholic beverages of any kind at a time before the patron subject to the following limitations:

If two spirituous drinks are in front of a patron, one may not be the same primary liquor dispensed as a shot-on-the-side (previously referred to as a "side car"). Also, the two drinks can not contain a total of more than 2.5 ounces of liquor at a time before the patron.

Price List:

A club must have readily available for its patrons a printed alcoholic beverage price list or menu containing current prices of all alcoholic beverages.

Discounting Practices Prohibited:

- Alcoholic beverages may not be sold at a discount at any time.
- Discounting practices are prohibited that encourage over-consumption of alcohol (i.e. A happy hours@, A two for ones@, combination pricing, A all you can drink for a set price@, free alcohol, or selling at less than cost).
- A club licensee or employee may not purchase an alcoholic beverage for a patron.

“Brown Bagging”:

- Patrons may not bring in or store spirituous liquor, heavy beer, or beer (3.2% alcohol by weight) on the premises, however at the licensee’s discretion a patron may bring in bottled wine for consumption on the premises.
- Wine brought in must be immediately delivered to a server or an employee of the club.
- A wine service may then be performed, and patrons may serve themselves or others at the table.

Food Availability:

- Clubs must offer a variety of food prepared and served in connection with dining accommodations.
- Food must be available at all times when alcohol is sold, served, or consumed.

Advertising:

- Signs advertising alcoholic beverages may be displayed inside and outside the club.
- Alcohol advertising by the club must comply with the guidelines in Rule R81-1-17 which may be viewed at <http://www.rules.utah.gov/publicat/code/r081/r081-01.htm#T16>.
- Public advertising by a Fraternal or Equity club must identify the club as being “a club for members”.

Sales and Consumption Hours:

- Alcoholic beverages may be sold on any day from 10:00 a.m. until 1:00 a.m.
- A patron may not remove an open container primarily used for drinking purposes and containing an alcoholic beverage, from the club premises.
- Clubs must remain open an extra hour after alcohol sales and service have ended to allow a patron to finish consuming:
 - a single drink containing spirituous liquor;
 - a single serving of wine not exceeding five ounces;
 - a single serving of heavy beer;
 - a single serving of beer not exceeding 26 ounces; or
 - a single serving of a flavored malt beverage.
- Clubs do not have to remain open after all patrons have vacated the premises, or during an emergency.
- *Hours of Consumption.* Consumption of alcohol in clubs is prohibited between the hours of 2 a.m. and 10 a.m.
- The liquor storage area must remain locked at times when liquor sales are not permitted.

Employees:

- Any employee handling alcoholic beverages must be twenty one years of age or older.
- Servers of alcohol must wear a unique identification badge showing the employee's first name, initials, or a number assigned by the employer.
- Employees, while on duty, may not consume alcoholic beverages or be intoxicated.

Alcohol Training and Education Seminar Required:

Managers, supervisors, and employees who serve alcohol must take and pass an alcohol server training seminar every three years and must complete the training within 30 days of commencing employment.

Employee Fines:

The commission is authorized to assess an administrative fine against an officer, employee, or agent of a licensee for a violation of the alcoholic beverage laws.

Electronic Age Verification by Dining & Social Club Licensees (ID Scanners):

- ID scanners are not required for equity clubs and fraternal clubs.
- The ID scanner requirement applies to all dining and social clubs whether or not the dining or social club chooses to restrict access by way of a membership or an access restriction that is imposed by the club.
- Social Clubs and Dining Clubs must electronically verify age before anyone who appears to be 35 years of age or younger may gain admittance to a social club, or obtain an alcoholic beverage in a dining club.
- Social Clubs and Dining Clubs must be able to read, print, or download the data in the ID scanners. Club owners/managers should have the knowledge and capability to produce the data upon request of a peace officer or authorized representative of the DABC.
- The DABC does not provide a list of approved scanners. ID scanners (electronic age verification devices) are available from multiple manufacturers and vendors. An ID scanner selected by a social or dining club licensee must meet the requirements of rule R81-5-18 which may be viewed at <http://www.rules.utah.gov/publicat/code/r081/r081-05.htm#T16> and is summarized below.
- An electronic age verification device:
 - a) must contain the technology to read a magnetic stripe and a two dimensional (“2d”) stack symbology (bar code), or an alternate technology capable of electronically verifying the proof of age; and
 - b) shall be capable of reading a valid state issued driver’s license, a valid state issued identification card, a valid military identification card, or a valid passport;
 - c) shall have a screen that displays no more than a person’s name, age, ID number, birth date, gender, ID status & expiration date; and
 - d) shall have the capability of electronically storing the name, age, ID number, birth date, gender, ID status & expiration date for seven days (168 hours) including the time and date the proof of age was scanned.
- If the proof of age cannot be scanned electronically, an alternative method of verifying an individual’s proof of age shall include a record or log showing the type, number, and expiration date of the ID; the date the ID was presented, the individual’s name and date of birth.
- Any data collected either electronically or otherwise, may only be used for the purpose of verifying an individual’s proof of age and may not be retained by the licensee in a data base for mailing, advertising, or promotional activity, to acquire personal information to make inappropriate personal contact with the individual, and shall be retained for a period of seven days from the date on which it was acquired, after which it must be deleted. The data collected may be acquired by law enforcement, or other investigative agencies.

Minors in Equity, Fraternal, and Dining Clubs:

- Minors may not be on the premises of a lounge or bar area of any club.
- Minors may not be on the premises of a dining club unless accompanied by an individual who is 21 years of age or older.
- Minors may not be on the premises of any club that provides sexually oriented adult entertainment.
- Minors may be employed by an equity, fraternal, or dining club, but may not work in any lounge or bar area, or sell, serve or handle alcoholic beverages.
- Minors who are least 16 years of age may work at a cash register in an equity or dining club to ring up the sale of alcoholic beverages.

Minors in Social Clubs:

- Minors may not be employed on the premises of a social club.
- Minors may not be admitted into, use, or be on the premises of a social club.
- A narrow exception exists for minors to be allowed in certain areas of social clubs that were granted a “dance or concert hall permit” before May 12, 2009.
- Local governments may be more restrictive of a minor’s admittance, use of, or presence on the premises of any private club.
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Effective 7.1.11 (v 11.10.11)

