



CITY OF PARK RIDGE

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DRAFT MINUTES

LIQUOR LICENSE REVIEW BOARD

CITY HALL
MAYOR'S CONFERENCE ROOM
505 BUTLER PLACE PARK RIDGE, IL 60068

Monday, September 16, 2013, at 6:00 p.m.

I. Roll Call

Members present: Ed Pudlo; Anthony Amelio; Robert Smith; Steve Huening; and Commissioner David Schmidt;

Members absent: Dave Zwolinski

Others present: Ald. Dan Knight; Connie Zaio for Jewel-Osco; Irene Bahr for Dominick's and Whole Foods; Jason Aragón, David Stone, P.T. Moore, and Manuel Galvan for Whole Foods; Marko Ratic for The Park Café; residents Jay Terry, Pat Livensparger, and Missy Langan; and Administrative Assistant Barb Cannon

II. Approve Minutes

A. June 3, 2013 Meeting

Moved by Mr. Huening and seconded by Mr. Pudlo, the minutes of June 3, 2013, were approved.

III. Non-Member Aldermen Wishing To Be Heard On a Non-Agenda Item

None.

IV. Citizens Present Wishing To Be Heard On a Non-Agenda Item

None.

V. Action Items

A. Approve Class M License

1. Whole Foods

The Board reviewed the application of Whole Foods Market Group, Inc. (M, 135). **The application is missing the list of employees involved in the sale of alcohol and the evidence of BASSET Training for same.** Moved by Mr. Huening, and seconded by Mr. Smith, the Board recommended that the Liquor Commissioner grant a Class M liquor license to Whole Foods Market Group, Inc. Its issuance is contingent upon receipt of the missing items.

B. Approve modifications to Class E, Class E-2, and Class M Licenses

Moved by Mr. Huening. Seconded by Mr. Amelio.

Jewel-Osco has requested a modification to the Class E ("Package Store") liquor license to allow for the sale of individual bottles and cans of beer in containers smaller than 32 ounces. The influx of a variety of craft and import beers into the marketplace has popularized the 22- and 24-ounce containers. City Hall has also received phone calls from Dominick's and Trader Joe's requesting the ability to sell individual, smaller bottles/cans of beer. Trader Joe's holds a Class G ("Package Store") liquor license which authorizes the sale of alcoholic liquor at retail in original containers of the sizes prescribed for the Class E license, by specialty food stores. The businesses in town that could benefit from this amendment to the Municipal Code are: Dominick's and Jewel-Osco (E); CVS and two Walgreens (E-2); Trader Joe's (G); and Whole Foods (M).

Ms. Zaio of Jewel-Osco stated that more and more import beers and some craft beers are coming in the 22- and 24-ounce selections. If someone does not want to buy a multi-pack they can buy the individual cans. These are very popular sizes in other Jewel-Osco stores in other municipalities. There are also domestic beers available in the 22- and 24-ounce sizes.

Mr. Amelio has concerns about allowing the sale of a single can or bottle of beer. In this area, people can afford a six-pack. He feels selling single count beers sends the wrong message. He is concerned that a person buying one can may only be able to afford that one can and that it would or could simply be drunk in the car before leaving the parking lot.

Ms. Zaio added that the selections of beers they are considering through this modification are not the high-alcohol ales but more like Sapporo and Fosters.

It was mentioned that changing the ordinance to allow a minimum size of 22-ounce beers would allow all beers, regardless of their origin.

Ms. Bahr, representing Dominick's, stated that, for the reasons that Ms. Zaio has mentioned, Dominick's supports the ordinance change.

Mr. Huening asked if this change is something that is driven as much from the bottlers and distributors as it is by the in-store data. He added that the market for custom, craft, and import beers has grown a lot more complicated over the past decade and that, where there used to be just the primary American bottlers, there are now hundreds of craft and specialty beers. He asked if, by not allowing this revision, Park Ridge would become unique and, in some ways, a pain in the neck for the distributors because their bottlers are moving in this direction? What is driving the need? Is it customers or bottlers or distributors?

Ms. Zaio responded that most of the import beers come in the 22- and 24-ounce sizes. She added that these are popular in areas by hotels so that guests can purchase one and bring it back to the room rather than having to purchase a multi-pack. Sales data does indicate that these individual bottles are popular among consumers.

Ms. Bahr added that the current ordinance does allow for single unit purchases, in a minimum 32-ounce capacity.

Mr. Aragón, the Store Team Leader for Whole Foods, introduced Mr. Moore who has been working in the area of specialty beverages for the past nine years. He stated that the primary reason to want to include the 22-ounce bottle size in the product selection would be to open up to domestic craft brewers that only release many of their seasonal and special offerings in that size. Because of that, it would not be an option to trade down or up. The general price point for those is between \$7.99 and \$20 per bottle. Many of them are more expensive than a typical six-pack. The reason to approach this is to offer a product selection that is not available in any other size.

Twenty years ago, quite a lot of discussion had been centered on the size of an individual beer being sold in a package store. There were concerns 20 years ago and Mrs. Livensparger would like to know if those concerns still exist. In response to her question as to why the ordinance originally contained the 32-ounce minimum, Mr. Huening, who was on the City Council at that time, stated that it was a part of the progression Park Ridge has gone through from being a completely dry town to a more modern marketplace for adult meals and beverages. In the very early stages, there was deep concern that the convenience stores would overtake Park Ridge. There has been quite a change in the beverage marketplace that has high-quality, premium bottlers of a smaller nature designing their product lines around some different sizes of bottles. This is not about trying to take super-sized cans of domestic beer and trying to make them available one at a time for the youth in Park Ridge. It is about allowing high-quality bottlers to present their specialty beverages into an upscale marketplace to support our vision of Park Ridge. Twenty-two ounces is not a super-sized can of beer. Twenty-two ounces is a premium bottler's vessel. Mrs. Livensparger objects to the terms "premium" and "special".

Ald. Knight added that this discussion of "premium" begs the question: We allowed WineStyles to sell single bottles in six-packs. They were displayed as single bottles. We did limit them to craft beers. He asked if this modification could be limited to craft beers with potentially the right definition. He enjoys craft beer guy and so is very supportive of this. It would be a shame, as a consumer, to not be able to go into a local store to buy these. There is a distinction between domestic beers and domestic and foreign-imported craft beers. Once defined, the retailers would have to abide by it. He, as well as quite a few other supporters of this modification, wonders why we would have a restriction like this on something which, to a beer consumer, is something that should be available.

Mr. Terry echoes everything Ald. Knight said. He moved to Park Ridge four years ago and is a prodigious consumer of craft beer products. This ordinance has been unenforced during the past four years. He walked into Trader Joe's about a month ago and found empty shelving where the craft beers used to be. He was told the City came in and told them they had to remove these from the shelves immediately. Mr. Terry thinks this is a terrible way to treat a local business but also, there has been this revolution in the craft beer industry. No one is going to buy a \$7.99 22-ounce bottle of beer and go drink it in the car. The brewing industry is flexible and moves to whatever ordinances get put on the books. While we are now rigorously enforcing the ordinance, you can still get a 40-ounce bottle of cold Colt 45 at Jewel and Dominick's and that does not appeal to the high end and those are the very people about whom you are most concerned. He supports these ordinance changes. The products described are available in Niles, Chicago, and Rosemont. Park Ridge stands out as a community where these products are not available. They are very commonplace and they are very expensive. He is supportive of the modifications as they are stated. As a compromise, the Board might consider something Evanston included in its ordinance: "temperature". Evanston did not allow cold small packaging, but did allow warm small packaging, which addresses the drinking in the parking lot issue.

Ms. Langan commented on WineStyles because the owners asked for multiple amendments. It was WineStyles that requested the ability to sell craft beer. The Board/Council did not place that restriction on them. An ordinance was written and adopted specifically to their request. It was a boutique shop. She feels it might be tricky telling local distributors that they cannot place their product in the stores when others can. If a limit must be placed, temperature might be the better way to go.

Ald. Knight responded that stores can choose from which distributors they wish to buy. He hopes the Board looks at these modifications favorably, whether there is a temperature restriction or not. Maybe that is the way to go if the concern is about the immediate consumption but, if you are worried about immediate consumption by the guy who is going to get in the car and pound it, he does not believe the temperature matters because all he wants is the quick hit. This market has evolved tremendously. We are coming a little late to the game. There are seasonal beers that people wait in line to buy. They cannot be purchased in a multi-pack or 32-ounce bottle. We should not have to drive to a different community for these. If this is approved and there turns out to be a problem, it can always be revisited.

Mr. Huening asked if craft beer could be consistently defined. Mr. Moore does not know the distinction offhand but stated there is a distinction between microbrewery and macro brewery. It is about 400,000 cases per year. Mr. Huening asked if the merchants and retailers would be agreeable to using that type of distinction. Ms. Zaio believes that would be very difficult to monitor because the beer industry changes daily. She asked how Park Ridge, as the jurisdiction, would be able to monitor that type of distinction and believes that would be more difficult. She is aware of communities (Joliet, Arlington Heights, Des Plaines) using the temperature restriction and feels that would be a much easier way to monitor.

To address the concerns about immediate consumption, and given the support of the retailers who seem ready, willing, and able to segregate and only sell those sizes at room temperature,

Mr. Huening offered the amendment that individual 22- and 24-ounce beer containers be sold only at room temperature and not chilled. Seconded by Mr. Pudlo. On Roll Call vote, amendment carried, 4-0.

Mr. Smith offered the amendment to include only microbrewery beers and products, defined as from those manufacturers producing only 400,000 [actual number to be determined by the City Attorney] cases per year. Died for a lack of a second.

Roll Call (main motion, as amended):

AYES: Messrs. Pudlo, Amelio, Huening, Smith

NAYS: None

ABSENT: Mr. Zwolinski

Motion carried, 4-0