

DATE: January 19, 2010
STAFF: Steve Budner
Marty Heffernan

AGENDA ITEM SUMMARY
FORT COLLINS CITY COUNCIL

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SUBJECT

Resolution 2010-002 Authorizing the City Manager to Apply for Liquor Licenses on Behalf of the City.

EXECUTIVE SUMMARY

This Resolution authorizes the City Manager, on behalf of the City, to apply for liquor licenses for City facilities as the City Manager determines appropriate. It also authorizes the City Manager to designate other members of City staff as the City Manager deems appropriate to apply (as co-applicant) on behalf of the City for such licenses and to apply to be a registered manager of a licensed premises. The application for, and management of, the licensed facilities will, for the purposes of indemnification under the City Code and the Colorado Governmental Immunity Act (CGIA), be considered within the scope of employment of the City Manager and his designees and among the official duties they are to perform for the City.

BACKGROUND / DISCUSSION

The City Manager initially intends to apply as co-applicant for a hotel-restaurant liquor license on behalf of the City and the licensed premises will be the Northside Aztlan Community Center (NACC). The NACC makes certain facilities available for the public for rent and many renters wish to serve alcohol at their events. Although NACC staff submitted two different RFPs to select a private vendor to sell alcohol at NACC, no one submitted a proposal the first time and one proposal was submitted the second time but did not meet the City's qualifications.

The Lincoln Center and the Senior Center do have a private vendor selling alcohol at events in these facilities. The vendor holds the liquor license for the facility. The Lincoln Center and Senior Center host more events where alcohol is sold than are hosted by the NACC, so they were able to secure a vendor, unlike the NACC.

Under current City policy, the City allows those who rent space at the NACC to serve alcohol gratuitously at private events. Consequently, alcohol cannot currently be sold at the NACC. Renters who wish to serve alcohol at private events must buy it themselves and provide it to patrons at no charge. This greatly increases the expenses of holding events at the NACC, and limits its ability to attract rentals. If the City holds the liquor license, renters would not have to incur the expense of providing the alcohol. Beverages could be sold to event guests, with revenues covering expenses and producing a profit for NACC.

The application and qualification process for the City's hotel-restaurant license for NACC will be conducted through the City Clerk's Office. Designated City staff will complete the registered manager application and will name the management-level person who will be responsible for the day-to-day management of alcohol sales and service at the applicable City facility. If this Resolution is adopted by the City Council, the City Manager may also apply for other City facilities to become liquor licensed establishments instead of having a vendor hold the license. The City Manager is required to provide Council with at least 60 days advanced written notice of any proposed liquor license application.

Adoption of the Resolution provides the City Manager with the authority to apply for and hold a liquor license on behalf of the City. This Resolution makes it clear the City Manager's actions in this regard are within the scope of his responsibilities and those of his designees.

FINANCIAL IMPACT

With the City holding the liquor license, renting NACC becomes more affordable, and attractive from a customer standpoint. More renters will select NACC as the place to host events if alcohol service is provided by the NACC.

Funds to purchase alcohol will be provided from the NACC rental budget. Revenue generated from the sale of alcohol during these events will more than offset any expense and will add to the overall revenue base of the NACC.

STAFF RECOMMENDATION

Staff recommends adoption of the Resolution.

PUBLIC OUTREACH

This Resolution was originally on the Consent Agenda of the November 17, 2009 City Council meeting. The item was pulled from Consent by Steve Levinger (Armstrong Hotel) of the Innkeepers Association. His concern was the City was competing for facility rental customers that might choose to host events at another location if alcohol beverage service was not available at a City facility. Staff met with Steve and Ned Sickle (Fort Collins Hilton) on November 23, 2009 to discuss the concerns. Staff explained the rental rates at the Northside Aztlan Community Center and the types of events typically hosted there. Rental fees for rooms within Northside are lower and services typically provided by hotels (linens, dinnerware, silverware, etc.) are not provided at Northside and must be provided by the customer. After the discussion, the Sickles agreed that the City was providing service to a different clientele and would not be in direct competition with the Innkeepers Association. Mr. Levinger said he would discuss this information at the next meeting of the Innkeepers Association in December and let staff know if there were any additional concerns.

Staff spoke with Mr. Levinger on January 7, 2010, and he confirmed that the Innkeepers Association did not have additional issues with the City moving forward in securing a liquor license for the Northside Aztlan Community Center.

RESOLUTION 2010-002
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING THE CITY MANAGER TO APPLY FOR LIQUOR LICENSES
ON BEHALF OF THE CITY

WHEREAS, the City owns and operates several facilities that allow persons to rent space for events; and

WHEREAS, City policy currently allows such persons to invite guests to attend private events and gratuitously serve alcohol that the event holder purchases; and

WHEREAS, one such facility is the Northside Aztlan Community Center (“NACC”); and

WHEREAS, in staff’s opinion, the number of prospective event holders at the NACC is substantially reduced due to the cost of purchasing alcohol to serve gratuitously to guests; and

WHEREAS, the City has hired a vendor through the City’s purchasing process to sell and serve alcohol at other City facilities such as the Lincoln Center and the Senior Center; and

WHEREAS, City staff has submitted a request for proposals through its purchasing process to hire a vendor at the Northside Aztlan Community Center on two separate occasions with no success; and

WHEREAS, if the City were to obtain a liquor license for NACC or any other City facility, staff believes that the revenues generated from alcohol sales would cover expenses associated with managing the licensed premise and purchasing alcohol for resale and would generate revenue for the City; and

WHEREAS, staff also believes that, in the future, it may be beneficial for the City to apply for liquor licenses at City facilities other than NACC; and

WHEREAS, the City Manager is the appropriate person to apply for liquor licenses on behalf of the City; and

WHEREAS, the City Manager intends to designate such members of City staff as may be appropriate to jointly apply for liquor licenses on behalf of the City and to register as managers of the licensed premises; and

WHEREAS, the City Council wishes to authorize such activities as being within the scope of employment of the City Manager and designated City staff but wishes to be notified in advance of any future liquor license applications for City facilities.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Manager is hereby authorized to apply for liquor licenses on behalf of the City to be held at such City facilities as the City Manager deems appropriate; provided, however, that the City Manager is to notify the City Council in writing of any such proposed application at least sixty (60) days prior to the filing of the same.

Section 2. That the City Manager is further hereby authorized to designate such members of City staff as the City Manager deems appropriate to jointly apply for liquor licenses on behalf of the City, to register as the manager of the licensed premises, and to oversee the management of such premises.

Section 3. That the acts authorized by this Resolution shall be considered within the scope of employment and the performances of the duties of the City Manager and his or her designees for the purposes of indemnification and immunity from liability, pursuant to the provisions of the Colorado Governmental Immunity Act and Section 2-611 of the City Code and subject to the conditions and limitations contained therein.

Passed and adopted at a regular meeting of the Council of the City of Fort Collins this 19th day of January A.D. 2010.

Mayor

ATTEST:

City Clerk