



AGENDA

**PRESCOTT CITY COUNCIL
COMBINED WORKSHOP AND
SPECIAL VOTING MEETING
Tuesday, June 2, 2015
3:00 PM**

**Council Chambers
201 South Cortez Street
Prescott, Arizona 86303
(928) 777-1100**

The following Agenda will be considered by the Prescott City Council at its **Combined Workshop and Special Voting Meeting** pursuant to the Prescott City Charter, Article II, Section 13. Notice of this meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02. One or more members of the Council may be attending this meeting through the use of a technological device.

◆ **CALL TO ORDER**

◆ **INTRODUCTIONS**

◆ **INVOCATION** Pastor Jesse Liles
Willow Hills Baptist Church

◆ **PLEDGE OF ALLEGIANCE** Mayor Pro Tem Kuknyo

◆ **ROLL CALL**

MAYOR AND CITY COUNCIL

Mayor Kuykendall

Mayor Pro Tem Kuknyo

Councilman Arnold

Councilman Blair

Councilman Lamerson

Councilman Lazzell

Councilwoman Wilcox

◆ **ANNOUNCEMENTS**

◆ **PROCLAMATIONS**

A. Proclaiming June 2015 as Distracted Driver Awareness Month

WORKSHOP

I. DISCUSSION ITEMS

- A. Airport Terminal Siting Assessment
- B. Introduction of proposed engineering and utility fees
- C. Discussion of Downtown Special Event Timeframes

SPECIAL VOTING MEETING

II. LIQUOR LICENSE CONSENT AGENDA

- A. Application for a Series 15 Special Event Liquor License

Boys and Girls Club of Central Arizona
The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Gerald Szostak
City Application No. 15-0013S
Date/Time of Event: June 26, 2015, 5:00 pm - 10:00 pm

The application has been reviewed and determined to be in compliance with City requirements

- B. Application for a Series 15 Special Event Liquor License

J.S. Acker Music Park Association, Inc.
The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Scott T. Currey
City Application No. 15-0014S
Date/Time of Event: July 3-4, 2015, 12:00 pm - 7:00 pm

The application has been reviewed and determined to be in compliance with City requirements

- C. Application for a Series 15 Special Event Liquor License

Yavapai Exceptional Industries, Inc.
The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Bradley John Newman

City Application No. 15-0015S

Date/Time of Event: July 24, 2015, 5:00 pm - 10:00 pm

The application has been reviewed and determined to be in compliance with City requirements

D. Application for a Series 15 Special Event Liquor License

J.S. Acker Music Park Association, Inc.

The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street

Applicant: Scott T. Currey

City Application No. 15-0016S

Date/Time of Event: August 28, 2015, 5:00 pm - 10:00 pm

The application has been reviewed and determined to be in compliance with City requirements

E. Application for a Series 15 Special Event Liquor License

The Launch Pad Teen Center

The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street

Applicant: Courtney Osterfelt

City Application No. 15-0017S

Date/Time of Event: September 25, 2015, 5:00 pm - 10:00 pm

The application has been reviewed and determined to be in compliance with City requirements

RECOMMENDED ACTION: MOVE to forward special event liquor license applications II.A. – II.E. to the Arizona State Liquor Board with a recommendation of approval/denial.

III. ADJOURNMENT

EXECUTIVE SESSION

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (i) Discussion or consideration of personnel matters (A.R.S. §38-431.03(A)(1));
- (ii) Discussion or consideration of records exempt by law (A.R.S. §38-431.03(A)(2));

- (iii) Discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03(A)(3));
- (iv) Discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid litigation (A.R.S. §38-431.03(A)(4));
- (v) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03(A)(5));
- (vi) Discussion, consultation or consideration for negotiations by the city or its designated representatives with members of a tribal council, or its designated representatives, of an Indian reservation located within or adjacent to the city (A.R.S. §38-431.03(A)(6));
- (vii) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03(A)(7)).

Confidentiality

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. §38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed \$500, plus court costs and attorneys' fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless City Council takes a legal action at a properly noticed open meeting to approve of such expenditures prior to incurring any such obligation or indebtedness. A.R.S. §38-431.07(A)(B).

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on _____ at _____ m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

Dana R. DeLong, CMC, City Clerk

MEETING DATE/TYPES: **COMBINED WORKSHOP & 6-2-15**
 SPECIAL VOTING MEETING

DEPARTMENT: **Airport**

AGENDA ITEM: Airport Terminal Siting Assessment

Approved By:

Date:

Airport Manager:	Cox, John	05/22/2015
City Manager:	McConnell, Craig	05/27/2015

Item Summary

This presentation will be a summary of the findings and recommendations of the Airport Terminal Siting Assessment authorized to be performed by the Council at their meeting of December 12, 2014. The assessment followed adoption of Resolution No. 4265-1474, which accepted the findings and recommendations of the ad hoc Airport Area Steering Group pertaining to development of Prescott Municipal Airport and economic development of the surrounding airport area.

Recommended Action: Presentation for Council information, discussion, and direction – no formal action to be taken.

MEETING DATE/TYPES: COMBINED WORKSHOP & 6-2-15
SPECIAL VOTING MEETING

DEPARTMENT: Public Works

AGENDA ITEM: Introduction of proposed engineering and utility fees

Approved By:

Date:

Director:	Hash, Henry	05/26/2015
City Manager:	McConnell, Craig	05/28/2015

Item Summary

This item is to introduce adjustments to fees for various Public Works activities pertaining to development of private property, and how they are calculated, in order to more closely recover the costs to provide services, including some necessitated by newly mandated State requirements. Formal adoption is proposed to follow at a future meeting.

Background

In early 2015, Public Works commenced review of various fees related to private development, in order to determine if they substantially cover the costs of the services provided. The fees included in the review (see Exhibit A) are for inspections, plan review, and utilities.

Inspection of public infrastructure such as water mains, sewer mains, drainage, and streets were addressed, as well as those for Erosion and Sediment Control (ESC), mandated by ADEQ for the Stormwater Pollution Program. Under the current fee schedule, Public Works inspections are assessed based on lineal feet of pipe or square feet of paving, and there is no charge set for ESC inspections. The proposed fees are based on an hourly rate of \$75, which reasonably reflects actual costs. The proposed structure will more closely align fees with inspection workload and the cost to outsource inspections, should that be necessary at times of peak workload.

In the area of plan review, the proposed review fee will remain at \$96 per plan sheet for water and sewer, and \$63 per sheet for streets. However, the review fee will be charged not only for the first review but for each subsequent review. This fee structure more accurately reflects actual costs, and will enable the City to outsource plan review, should it become necessary.

For wastewater utility operations, the proposed fees for sewer taps, dye tests, and private sewer tap locates are new. These services are not required for every project. On the occasions when they are needed, the proposed fees will substantially cover City costs to perform the services.

Finally, fees for water utility line taps, fire line tests, re-reading meters, and meter on/off, are proposed to be increased or decreased, to more closely align with actual costs. The costs of water meters have been reduced through a recent state bid, therefore, the proposed fees for water meters are proposed to be lowered.

Engineering Fee adjustments were presented to the Yavapai County Contractors Association on March 17, 2015, and at a quarterly contractor's meeting held in the City Council Chambers on March 26, 2015. Comments received included how the inspections deposits will be managed, and concerns that a balance could be due to the City at the end of a project. In response to these comments, a "Public Works Inspection Deposit Policy" and "Public Works Inspection Deposit Form", which will assist in determining the amount of deposit to be collected at the beginning of the project, have been drafted (see attached). Management of deposits will be performed according to the policy by Public Works personnel, as documented in the Trakit database used to schedule and record the results of inspections.

Exhibit A outlines the complete list of fees in the proposed adjustment. An accompanying resolution will include a Consumer Price Index (CPI) increase on an annual basis, unless a different rate is set by the City Council.

Financial Impact

Inspection fee revenue depends upon permitting activity. A steady increase of 18-20% in permitting activity per year has occurred over the last three years.

Revenues to the utility funds are expected to be slightly reduced, but more closely aligned with actual costs.

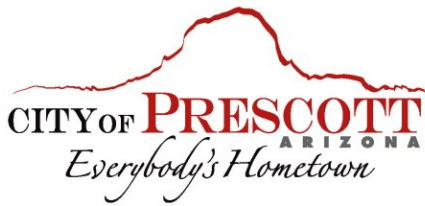
Attachments

1. Exhibit A: Proposed Fees and comparison to current
2. Fee Deposit Policy (Draft)

Recommended Action: This item is for presentation and discussion, and will be placed on a future agenda for additional discussion and consideration of adoption of the various fees.

EXHIBIT A

<u>Inspection Fees</u>	
PW Inspections	\$ 75.00/hour
Erosion and Sediment Control Inspection	\$ 50.00/each
Inspection outside of Normal Hours	\$112.50/hour
<u>Plan Review Fees</u>	
Engineering Plan Check Fee – Water	\$96.00/per page, per review
Engineering Plan Check Fee – Sewer	\$96.00/per page, per review
Engineering Plan Check Fee - Streets	\$63.00/per page, per review
<u>Utility Operation Fees</u>	
Sewer Tap	\$ 316.00/each
Dye test	\$ 250.00/each
Private Sewer Tap Locate	\$ 149.00/hour
Water Tap: 2-inch or less	\$ 242.00/each
Water Tap: Greater than 2-inch	\$ 517.00/each
Hydrant/ Fire Line Test	\$ 327.00/each
Water Meter Test/Re-read	\$ 18.00/each
Meter Turn Off/On	\$ 36.00/each
Water Meters:	
5/8"	\$ 208.00/each
1"	\$ 262.00/each
1 1/2"	\$ 380.00/each
2"	\$ 503.00/each
3"	\$1,714.00/each
4"	\$2,633.00/each
6"	\$3,706.00/each



Proposed Public Works Fees

Purpose: To adjust Public Works fees to more closely recover City costs to provide services, including certain newly mandated State requirements.

EXHIBIT A

	Proposed	Current
<u>Inspection Fees</u>		
PW Inspections	\$ 75.00/hour	No Fee
Erosion and Sediment Control Inspection	\$ 50.00/each	No Fee
Inspection outside of Normal Hours	\$112.50/hour	No Fee
<u>Plan Review Fees</u>		
Engineering Plan Check Fee – Water	\$96.00/per page, per review	\$96.00/per page, per review
Engineering Plan Check Fee – Sewer	\$96.00/per page, per review	\$96.00/per page, per review
Engineering Plan Check Fee - Streets	\$63.00/per page, per review	\$63.00/per page, per review
<u>Utility Operation Fees</u>		
Sewer Tap	\$ 316.00/each	\$200/each
Dye test	\$ 250.00/each	No Fee
Private Sewer Tap Locate	\$ 149.00/hour	No Fee
Water Tap: 2-inch or less	\$ 242.00/each	\$100-\$300/each
Water Tap: Greater than 2-inch	\$ 517.00/each	\$240-\$380/each
Hydrant/ Fire Line Test	\$ 327.00/each	\$50/each
Water Meter Test/Re-read	\$ 18.00/each	\$35/each
Meter Turn Off/On	\$ 36.00/each	\$50/each
Water Meters:		
5/8"	\$ 208.00/each	\$220/each
1"	\$ 262.00/each	\$400/each
1 ½"	\$ 380.00/each	\$800/each
2"	\$ 503.00/each	\$1,200/each
3"	\$1,714.00/each	Cost + 10%
4"	\$2,633.00/each	Cost + 10%
6"	\$3,706.00/each	Cost + 10%



Policy Number: PD – 004 ENG-002	Title: Public Works Inspection Deposits
Effective Date:	Division(s): Program Development/Engineering
Approved Date:	Approved By: Steve Orosz, Program Dev Manager Charles Andrews, City Engineer Henry Hash, PW Director

Applicability: A Public Works (PW) Inspection fee shall be paid for any construction project which includes the installation of public infrastructure, and for any private fire line that is a direct, open connection to a City main.

Responsible Party: PW permit center personnel are responsible for the implementation of this policy prior to the issuance of any permits for work.

Definitions:

Public Infrastructure: is infrastructure that is owned by the public or is for public use (eg., water mains, sewer mains, drainage, access, streets, transportation or traffic, etc.).

Policy Statement: The construction and installation of all public infrastructure or a private fire line that is a direct, open connection to a City main shall be inspected by a PW Inspector to ensure that the project meets local, state and federal guidelines, and is built per the approved plan. This policy sets forth the guidelines for determining the “PW Inspection Deposit” and how the PW Inspection Fee shall be paid.

Procedure:

1. When the Engineer’s Estimate is requested by the PW plan reviewer, and before a permit is issued, the Engineer of Record will complete a “PW Inspection Deposit” form and submit it with a sealed copy of the “Engineer’s Estimate”.
 - Included on the form will be the permit number, the name of the project, the Engineer’s Estimate, the estimated days of construction and a signature of the “Engineer of Record” (attached).

2. The Program Development Manager will review and approve the estimate of the number of hours for PW inspection services and make adjustments, if necessary.
3. The Development Coordinator or PW Permit Technician will attach the approved "PW Inspection Deposit" form in Trakit.
4. The deposit will be paid by the applicant at the time of permit issuance in the amount approved on the "PW Inspection Deposit" form.
5. Each time a PW Inspector is at a project site, a record of PW inspection time for that project will be entered into the Trakit database. A minimum of one-hour shall be entered for any inspection that is performed.
6. No later than the third working day of each month, the Development Coordinator or Permit Technician will apply the total number of hours of inspection from the previous month to the hourly inspection rate and transfer to the City the amount due from the deposit.
 - A summary of charges made, and deposit balance, will be mailed or e-mailed to the person/entity that paid the deposit, each month.
7. At the conclusion of the project, a complete summary of hourly charges shall be sent to the person/entity that paid the deposit.
 - If there is a surplus of funds after all fees are paid, a refund shall be processed to the person or entity that paid the deposit when the permit was issued.
 - If there are monies due to the City for inspection services, the permit will not be finalized, nor will a Certificate of Occupancy (C of O) be issued until all PW inspection fees are paid.

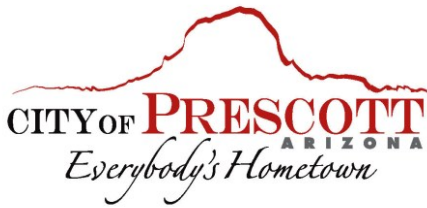
Note: The amount of the "PW-Inspection Deposit" is an estimate of inspection costs. Actual costs may vary due to the size and complexity of the project. The total fee for PW Inspection services will be based on the number of hours that inspections were performed for the project.

Other Guidelines:

Policy PD-002, Commercial and Subdivision Plan Review

Policy PD-003, Approval to Construct

Policy W-002, Commercial Water Meter Releases



Public Works Department

433 N. Virginia Street
Prescott AZ 86301
928-777-1130

Public Works Residential Inspection Deposit Form
THIS FORM MUST BE SUBMITTED WITH THE ENGINEER'S ESTIMATE

Permit #: _____ Project Name: _____

☐ Engineer's Estimate Attached

	INSPECTION TYPE	HOURS		DAYS OF CONSTRUCTION		TOTAL HOURS
Single Lot – Service Connection	Water Tap	4	X	1	=	4
	Sewer Tap	4	X	1	=	4
	Water Main	1	X		=	
	Sewer Main	1	X		=	
Subdivision – 2- 20 lots	Water Main	1	X		=	
	Sewer Main	1	X		=	
	Street	1	X		=	
	Storm Drain	1	X		=	
Subdivision – 21-100 lots	Water Main	2	X		=	
	Sewer Main	2	X		=	
	Street	2	X		=	
	Storm Drain	1	X		=	
Subdivision - Over100 lots	Water Main	4	X		=	
	Sewer Main	4	X		=	
	Street	4	X		=	
	Storm Drain	1	X		=	
OTHER INSPECTIONS			X		=	
			X		=	
			X		=	
<u>TOTAL ESTIMATED INSPECTION HOURS</u>						
<u>TOTAL ESTIMATED INSPECTION HOURS:</u>	X	\$75.00 PER HOUR	=	\$		<u>TOTAL PW INSPECTION DEPOSIT</u>

This document is an estimate of the number of hours of Public Works inspection that would be necessary for the installation of public infrastructure contained within the Engineer's Estimate (attached). I understand that the cost of PW Inspection services is based on an adopted hourly rate and the fee assessed will be based on the hours of inspection provided. Surplus of deposit monies at the conclusion of the project will only be refunded to the person/entity that paid the deposit. Payment of additional PW inspection deposit or fee may be required if additional inspections are performed.

Signature (Contractor/Owner)

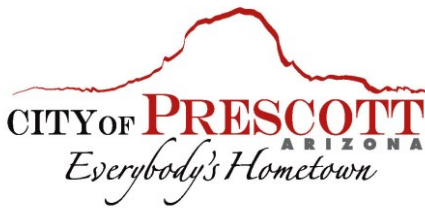
Printed Name

Date

For City Use Only

Approved by:

Date:



Public Works Department

433 N. Virginia Street
Prescott AZ 86301
928-777-1130

Public Works Commercial Inspection Deposit Form
THIS FORM MUST BE SUBMITTED WITH THE ENGINEER'S ESTIMATE

Permit #: _____ Project Name: _____

☐ Engineer's Estimate Attached

	INSPECTION TYPE	HOURS		DAYS OF CONSTRUCTION		TOTAL HOURS
Single Lot –Service Connection	Water Tap	4	X	1	=	4
	Sewer Tap	4	X	1	=	4
	Water Main	1	X		=	
	Sewer Main	1	X		=	
Subdivision – 2-5 lots	Water Main	1	X		=	
	Sewer Main	1	X		=	
	Street	1	X		=	
	Storm Drain	1	X		=	
Subdivision – 6-10 lots	Water Main	2	X		=	
	Sewer Main	2	X		=	
	Street	2	X		=	
	Storm Drain	1	X		=	
Subdivision - Over11 lots	Water Main	4	X		=	
	Sewer Main	4	X		=	
	Street	4	X		=	
	Storm Drain	1	X		=	
OTHER INSPECTIONS			X		=	
			X		=	
			X		=	
<u>TOTAL ESTIMATED INSPECTION HOURS</u>						
<u>TOTAL ESTIMATED INSPECTION HOURS:</u>	X	\$75.00 PER HOUR	=	\$		<u>TOTAL PW INSPECTION DEPOSIT</u>

This document is an estimate of the number of hours of Public Works inspection that would be necessary for the installation of public infrastructure contained within the Engineer's Estimate (attached). I understand that the cost of PW Inspection services is based on an adopted hourly rate and the fee assessed will be based on the hours of inspection provided. Surplus of deposit monies at the conclusion of the project will only be refunded to the person/entity that paid the deposit. Payment of additional PW inspection deposit or fee may be required if additional inspections are performed.

Signature (Contractor/Owner)

Printed Name

Date

For City Use Only

Approved by:

Date:

MEETING DATE/TYPES: COMBINED WORKSHOP & 6-2-15
SPECIAL VOTING MEETING

DEPARTMENT: Recreation Services

AGENDA ITEM: Discussion of Downtown Special Event Timeframes

Approved By:		Date:
Director:	Baynes, Joe	05/21/2015
City Manager:	McConnell, Craig	05/27/2015

Item Summary

Information will be provided regarding special events primarily in the Downtown Business District. This is an opportunity for Council discussion and direction regarding possible guidelines for hours of operation as they relate to the special events requiring City approval (use of public rights-of-way or public property, as well as special event liquor licenses).

Recommended Action: Presentation for Council information, discussion and direction. No formal action to be taken.

**MEETING DATE/TYPES: COMBINED WORKSHOP & 6-2-15
SPECIAL VOTING MEETING**

DEPARTMENT: City Clerk

AGENDA ITEM: Special Event Liquor License Applications

Approved By:

Date:

City Clerk:	DeLong, Dana	05/27/2015
City Manager:	McConnell, Craig	05/27/2015

Liquor License Applications

The following special event liquor license applications are presented for Council consideration.

- A. Boys and Girls Club of Central Arizona
The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Gerald Szostak
City Application Number: 15-0013S
Date/Time of Event: Friday, June 26, 2015, 5:00 pm – 10:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

- B. J.S. Acker Music Park Association, Inc.
The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Scott T. Currey
City Application Number: 15-0014S
Date/Time of Event: Friday and Saturday, July 3 - 4, 2015, 12:00 pm – 7:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

- C. Yavapai Exceptional Industries, Inc.

The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Bradley John Newman
City Application No. 15-0015S
Date/Time of Event: Friday, July 24, 2015, 5:00 pm – 10 pm

The application has been reviewed and determined to be in compliance with City requirements.

D. J.S. Acker Music Park Association, Inc.

The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Scott T. Currey
City Application No. 15-0016S
Date/Time of Event: Friday, August 28, 2015, 5:00 pm – 10:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

E. The Launch Pad Teen Center

The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Courtney Osterfelt
City Application No. 15-0017S
Date/Time of Event: Friday, September 25, 2015, 5:00 pm – 10:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

Background

Special Event Liquor Licenses are processed in a similar manner as other liquor license applications, except that there are no posting or protest period requirements, and no school location restrictions. These licenses permit the sale of all spirituous liquor for consumption on the licensed premises. They can be issued only to: (1) a political party or campaign committee; (2) an organization formed for a specific charitable or civic purpose; (3) a fraternal organization in existence for over five years with a regular membership; or (4) a religious organization. Qualifying organizations will be granted a special event license for no more than ten (10) days per calendar year. The State places primary emphasis on the City's recommendation in deciding whether or not to issue these licenses.

Financial Impact

The application and license fees have been paid. According to State law, proceeds from liquor license fees are required to be used for hospitality promotion (tourism development) purposes.

Attachments

1. Boys and Girls Club Application Information and Location Map
2. J.S. Acker Music Park Association, Inc., Application Information and Location Map
3. Yavapai Exceptional Industries, Inc., Application Information and Location Map
4. J.S. Acker Music Park Association, Inc., Application Information and Location Map
5. The Launch Pad Teen Center Application Information and Location Map
6. Liquor License Series Number Definitions
7. ARS §4-203.02: Special event licenses: rules

Recommended Action: MOVE to forward special event liquor license applications II.A. – II.E. to the Arizona State Liquor Board with a recommendation of approval/denial.

ITEM II.A. – Boys and Girls Club of Central Arizona

II.A. Applicant Name

Gerald Szostak

Event Location

The Holiday Courtyard of the Grand Highland Hotel
150 South Montezuma Street

Boys and Girls Club

Application No. 15-0013S

Event Days/Date Time

Friday, June 6, 2015, 5:00 pm – 10:00 pm

Organizations & Individuals Receiving Proceeds

The Boys and Girls Club of Central Arizona 25%

Grand Highland Hotel 75%

Staff Recommendation

Community Development

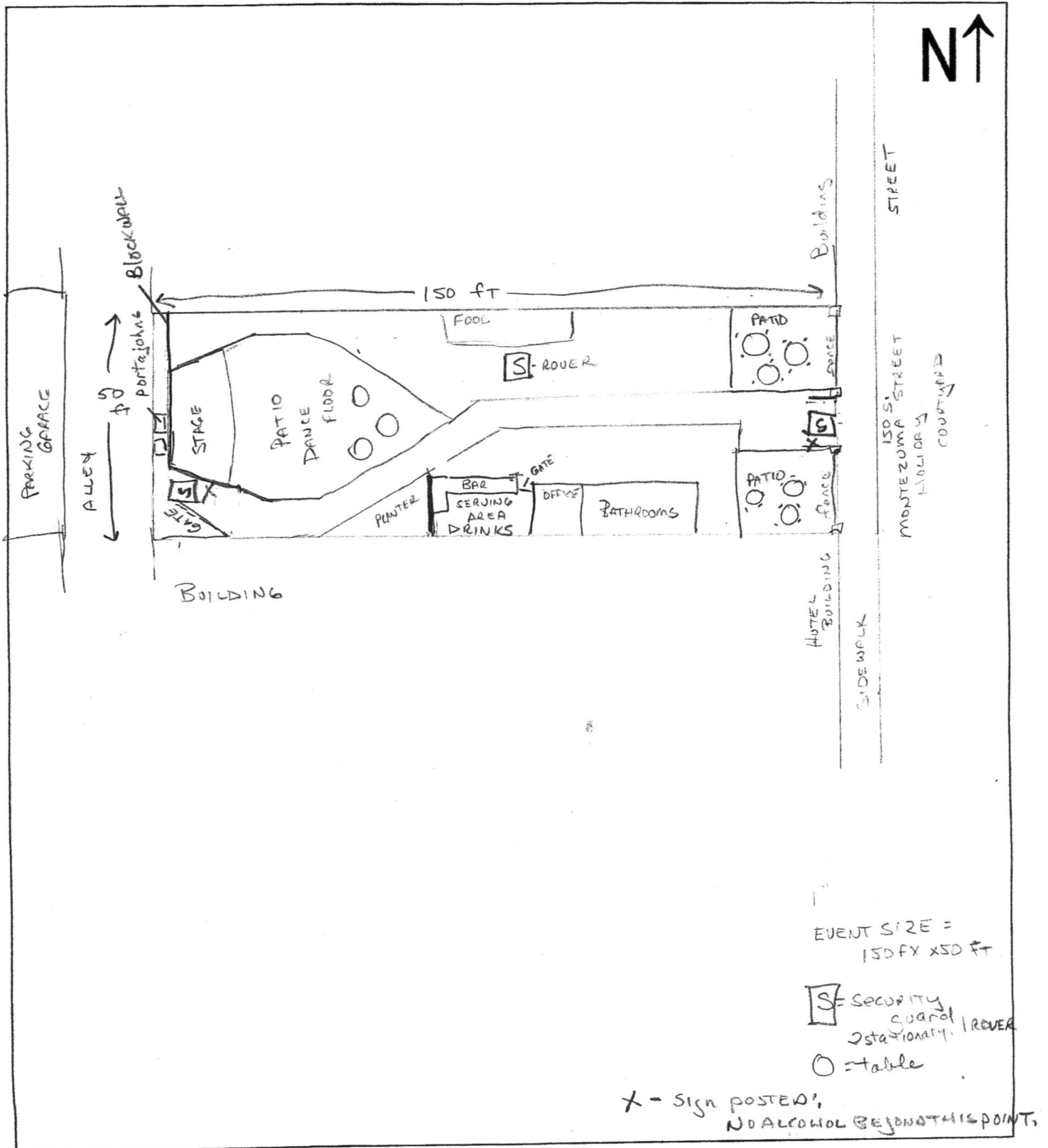
In Compliance

Public Comment Received

None

NOTE: Location Map Attached

SECTION 12 License premises diagram. The licensed premises for your special event is the area in which you are authorized to sell, dispense or serve alcoholic beverages under the provisions of your license. The following space is to be used to prepare a diagram of your special event licensed premises. Please show dimensions, serving areas, fencing, barricades, or other control measures and security position.



LIQUOR LICENSE SERIES NUMBER DEFINITIONS

- 1 **In-State Producer**, all spirituous liquor, produced on-premises, may sell to Arizona-licensed wholesalers only.
- 2 **Out-of-state Producer**, all spirituous liquor, produced on-premises, may sell to Arizona-licensed wholesalers only.
- 3 **Microbrewery**, less than 1,240,000 gallons of beer produced annually on premises, unlimited on- and off-sale, less than 93,000 gallons may be distributed to retail licensees annually.
- 4 **Wholesaler**, all spirituous liquor, purchased from in- and out-of-state Arizona licensed producers, may sell to Arizona-licensed retailers.
- 5 **Government**, all spirituous liquor, may sell to patrons to consume on premises.
- 6 **Bar**, all spirituous liquor, off-sale sales in original, unopened container may not exceed 30% of on-sale receipts, may sell to patrons to consume on premises.
- 7 **Beer and Wine Bar**, beer and wine only, off-sale sales in original, unopened container may not exceed 30% of on-sale receipts, may sell to patrons to consume on premises.
- 9 **Liquor Store**, all spirituous liquor, may sell "carry-out" to patrons to consume off-premises, on-site temporary sampling events hosted by producer or wholesaler.
- 9S **Liquor Store with Sampling Privileges**, all spirituous liquor, may sell "carry-out" to patrons to consume off-premises, provide limited residential delivery, on-site permanent sampling events using store inventory.
- 10 **Beer and Wine Store**, beer and wine only, may sell "carry-out" to patrons to consume off-premises, on-site temporary sampling events hosted by producer or wholesaler.
- 10S **Beer and Wine Store with Sampling Privileges**, beer and wine only, may sell "carry-out" to patrons to consume off-premises, on-site permanent sampling events using store inventory.
- 11 **Hotel/Motel w/Restaurant**, all spirituous liquor, may sell to patrons to consume on premises.
- 12 **Restaurant**, all spirituous liquor, may sell to patrons to consume on premises.
- 13 **Farm Winery**, produces at least 200 gallons, but not more than 40,000 gallons of wine annually, produced on premises and by other domestic farm wineries.
- 14 **Private Club**, all spirituous liquor, may sell to bona fide members & their guests for on-premises consumption.
- 15 **Special Event**, all spirituous liquor, temporary license, off-sale allowed by auction in closed, original container for off-sale consumption, may sell to patrons to consume on premises.
- 18 **In-State Craft Distillery**, less than 20,000 gallons of distilled spirits annually on-premises, may sell and ship to Arizona licensed wholesalers. May sell and ship to Arizona-licensed retailers when annual production is less than 1,189 gallons. On-and off-sale retail privileges on licensed premises.
- 19 **Remote Tasting Room**, owned and operated by a licensee that concurrently owns one of the following Arizona liquor licenses: (1) Series 2W, Out-of-state Farm Winery; (2) Series 2D, Out-of-state Craft Distillery; (3) Series 13, In-state Farm Winery; or (4) Series 18, In-state Craft Distiller.

4-203.02. Special event license; rules

A. The director may issue on a temporary basis:

1. A daily on-sale special event license authorizing the sale of spirituous liquor for consumption on the premises where sold. The fee for the license is twenty-five dollars per day. The director shall transfer the monies collected to the department of health services for the purpose prescribed in title 36, chapter 18, article 2.

2. A daily off-sale special event license authorizing a charitable auction for the sale of spirituous liquor for consumption off premises.

B. Before the director may issue a temporary special event license, a special event that is to occur at an otherwise unlicensed location or by a licensee at a location that is not fully within the licensee's existing licensed premises must be approved by the board of supervisors of a county if the event is to be held in an unincorporated area or by the governing body of the city or town if the event is to be held in a city or town.

C. The approval process prescribed in this section does not apply to physical locations that are fully within premises licensed pursuant to this title.

D. A physical location, other than a physical location that is owned, operated, leased, managed or controlled by the United States, this state or a city, town or county of this state, that is not licensed pursuant to this title may not be issued more than twelve special event licenses during the same calendar year. All applications for a special event license issued pursuant to this subsection must be submitted to the department at least ten days before the scheduled event.

E. The director may only issue the special event license to a political party or campaign committee supporting a candidate for public office or a ballot measure, an organization formed for a specific charitable or civic purpose, a fraternal organization in existence for over five years with a regular membership or a religious organization.

F. The director may issue a special event license concurrently with a wine festival license and a craft distillery festival license and may approve the location of the wine festival license within an excluded area of a special event license specifically described in each license. Notwithstanding section 4-244, paragraphs 13 and 19, both licenses shall permit the presence of purchased spirituous liquor in the possession of the purchaser.

G. An organization selling spirituous liquor under a special event license shall purchase the spirituous liquor from the holder of a license authorized to sell off-sale or a licensed wholesaler. In the case of a nonprofit organization that has obtained a special event license for the purpose of charitable fund-raising activities, the nonprofit organization may receive the spirituous liquor from a wholesaler, farm winery, microbrewery or producer as a donation, except that a licensee licensed pursuant to subsection A, paragraph 2 of this section may receive spirituous liquor from a donor when the donor receives no remuneration or payment of any kind, directly or indirectly, other than any tax benefits that might result.

H. An organization that is issued a license pursuant to subsection A, paragraph 2 of this section shall receive at least seventy-five per cent of the gross receipts of the auction. Up to twenty-five per cent of the gross receipts of a special event auction conducted pursuant to subsection A, paragraph 2 of this section may be used to pay reasonable and necessary expenses incurred in connection with the auction. All expenses shall be supported by written contracts, invoices or receipts, which shall be made available to the director on request.

I. The director may adopt those rules the director determines are necessary to implement and administer this section including a limitation on the number of times during a calendar year a qualified organization may apply for and be issued a license under this section. The qualified organization issued a license pursuant to subsection A, paragraph 1 of this section must receive at least twenty-five per cent of the gross revenues of all spirituous liquor sold at the special events, which shall be supported by a contract between the parties to be supplied at the time of application.

J. An organization that is issued a license pursuant to subsection A, paragraph 2 of this section shall not sell more than twenty cases of spirituous liquor annually under a special event license.

K. Section 4-201 does not apply to the licenses provided for under this section.

L. A licensed wholesaler may donate spirituous liquor directly to an organization that is issued a license pursuant to subsection A of this section. The licensed wholesaler shall in such instances issue a net zero cost billing invoice in the name of the special event licensee. All licensees making or receiving spirituous liquor donations remain subject to the applicable limitations and requirements set forth in this title and in the rules adopted by the department.

M. A licensed wholesaler may temporarily leave a delivery vehicle and other items of equipment necessary for the sale or service of spirituous liquor on the premises of a licensed special event for the duration of the event and up to one business day before and after the event.

N. A licensed wholesaler may leave spirituous liquor products at a special event if the products are properly described on a preliminary billing invoice from the wholesaler that is issued in the name of the special event licensee. The licensed wholesaler has up to five business days after the special event ends to make any necessary billing adjustments and issue a final billing invoice to the special event licensee.

**MEETING DATE/TYPES: COMBINED WORKSHOP & 6-2-15
SPECIAL VOTING MEETING**

DEPARTMENT: City Clerk

AGENDA ITEM: Special Event Liquor License Applications

Approved By:

Date:

City Clerk:	DeLong, Dana	05/27/2015
City Manager:	McConnell, Craig	05/27/2015

Liquor License Applications

The following special event liquor license applications are presented for Council consideration.

- A. Boys and Girls Club of Central Arizona
The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Gerald Szostak
City Application Number: 15-0013S
Date/Time of Event: Friday, June 26, 2015, 5:00 pm – 10:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

- B. J.S. Acker Music Park Association, Inc.
The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Scott T. Currey
City Application Number: 15-0014S
Date/Time of Event: Friday and Saturday, July 3 - 4, 2015, 12:00 pm – 7:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

- C. Yavapai Exceptional Industries, Inc.

The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Bradley John Newman
City Application No. 15-0015S
Date/Time of Event: Friday, July 24, 2015, 5:00 pm – 10 pm

The application has been reviewed and determined to be in compliance with City requirements.

D. J.S. Acker Music Park Association, Inc.

The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Scott T. Currey
City Application No. 15-0016S
Date/Time of Event: Friday, August 28, 2015, 5:00 pm – 10:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

E. The Launch Pad Teen Center

The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Courtney Osterfelt
City Application No. 15-0017S
Date/Time of Event: Friday, September 25, 2015, 5:00 pm – 10:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

Background

Special Event Liquor Licenses are processed in a similar manner as other liquor license applications, except that there are no posting or protest period requirements, and no school location restrictions. These licenses permit the sale of all spirituous liquor for consumption on the licensed premises. They can be issued only to: (1) a political party or campaign committee; (2) an organization formed for a specific charitable or civic purpose; (3) a fraternal organization in existence for over five years with a regular membership; or (4) a religious organization. Qualifying organizations will be granted a special event license for no more than ten (10) days per calendar year. The State places primary emphasis on the City's recommendation in deciding whether or not to issue these licenses.

Financial Impact

The application and license fees have been paid. According to State law, proceeds from liquor license fees are required to be used for hospitality promotion (tourism development) purposes.

Attachments

1. Boys and Girls Club Application Information and Location Map
2. J.S. Acker Music Park Association, Inc., Application Information and Location Map
3. Yavapai Exceptional Industries, Inc., Application Information and Location Map
4. J.S. Acker Music Park Association, Inc., Application Information and Location Map
5. The Launch Pad Teen Center Application Information and Location Map
6. Liquor License Series Number Definitions
7. ARS §4-203.02: Special event licenses: rules

Recommended Action: MOVE to forward special event liquor license applications II.A. – II.E. to the Arizona State Liquor Board with a recommendation of approval/denial.

ITEM II.B. – J.S. Acker Music Park Association, Inc.

II.B. Applicant Name

Scott T. Currey

Event Location

The Holiday Courtyard of the Grand Highland Hotel
150 South Montezuma Street

**J.S. Acker Music Park
Association, Inc.**

Application No. 15-0014S

Event Days/Date Time

July 3 - 4, 2015, 12:00 pm – 7:00 pm

Organizations & Individuals Receiving Proceeds

J.S. Acker Music Park Association, Inc. 25%

The Grand Highland Hotel 75%

Staff Recommendation

Community Development

In Compliance

Public Comment Received

None

NOTE: Location Map Attached

Hand-drawn site map of the event area. The map shows a large rectangular area labeled "150 FT" in width. On the left side, there is a "PARKING GRACE" area and an "ALLEY" labeled "50" with a double-headed arrow. A "BLOCKWALL" runs along the top edge. The main area contains a "STAGE" on the left, a "PATIO DANCE FLOOR" in the center, and a "FOOL" area on the right. A "S-ROVER" is marked in the center. Along the bottom edge, there is a "PUNTER" area, a "BAR SERVING AREA DRINKS", a "GATE", "OFFICE", and "BATHROOMS". On the right side, there are two "PATIO" areas, each with four circles representing tables. A "HOTEL BUILDING" is located to the right of the main area, and a "SIDEWALK" runs along the bottom edge. A "BUILDING" is labeled on the right side. A "MONTAZUMA STREET" runs along the right edge, and a "150 S. STREET" runs along the top edge. A "COURTARD" is labeled near the bottom right. A north arrow points towards the top right corner. A legend at the bottom right explains the symbols: "S" for security guard, "O" for table, and "X" for sign posted. A note at the bottom right states "NO ALCOHOL BEYOND THIS POINT".

LIQUOR LICENSE SERIES NUMBER DEFINITIONS

- 1 **In-State Producer**, all spirituous liquor, produced on-premises, may sell to Arizona-licensed wholesalers only.
- 2 **Out-of-state Producer**, all spirituous liquor, produced on-premises, may sell to Arizona-licensed wholesalers only.
- 3 **Microbrewery**, less than 1,240,000 gallons of beer produced annually on premises, unlimited on- and off-sale, less than 93,000 gallons may be distributed to retail licensees annually.
- 4 **Wholesaler**, all spirituous liquor, purchased from in- and out-of-state Arizona licensed producers, may sell to Arizona-licensed retailers.
- 5 **Government**, all spirituous liquor, may sell to patrons to consume on premises.
- 6 **Bar**, all spirituous liquor, off-sale sales in original, unopened container may not exceed 30% of on-sale receipts, may sell to patrons to consume on premises.
- 7 **Beer and Wine Bar**, beer and wine only, off-sale sales in original, unopened container may not exceed 30% of on-sale receipts, may sell to patrons to consume on premises.
- 9 **Liquor Store**, all spirituous liquor, may sell "carry-out" to patrons to consume off-premises, on-site temporary sampling events hosted by producer or wholesaler.
- 9S **Liquor Store with Sampling Privileges**, all spirituous liquor, may sell "carry-out" to patrons to consume off-premises, provide limited residential delivery, on-site permanent sampling events using store inventory.
- 10 **Beer and Wine Store**, beer and wine only, may sell "carry-out" to patrons to consume off-premises, on-site temporary sampling events hosted by producer or wholesaler.
- 10S **Beer and Wine Store with Sampling Privileges**, beer and wine only, may sell "carry-out" to patrons to consume off-premises, on-site permanent sampling events using store inventory.
- 11 **Hotel/Motel w/Restaurant**, all spirituous liquor, may sell to patrons to consume on premises.
- 12 **Restaurant**, all spirituous liquor, may sell to patrons to consume on premises.
- 13 **Farm Winery**, produces at least 200 gallons, but not more than 40,000 gallons of wine annually, produced on premises and by other domestic farm wineries.
- 14 **Private Club**, all spirituous liquor, may sell to bona fide members & their guests for on-premises consumption.
- 15 **Special Event**, all spirituous liquor, temporary license, off-sale allowed by auction in closed, original container for off-sale consumption, may sell to patrons to consume on premises.
- 18 **In-State Craft Distillery**, less than 20,000 gallons of distilled spirits annually on-premises, may sell and ship to Arizona licensed wholesalers. May sell and ship to Arizona-licensed retailers when annual production is less than 1,189 gallons. On-and off-sale retail privileges on licensed premises.
- 19 **Remote Tasting Room**, owned and operated by a licensee that concurrently owns one of the following Arizona liquor licenses: (1) Series 2W, Out-of-state Farm Winery; (2) Series 2D, Out-of-state Craft Distillery; (3) Series 13, In-state Farm Winery; or (4) Series 18, In-state Craft Distiller.

4-203.02. Special event license; rules

A. The director may issue on a temporary basis:

1. A daily on-sale special event license authorizing the sale of spirituous liquor for consumption on the premises where sold. The fee for the license is twenty-five dollars per day. The director shall transfer the monies collected to the department of health services for the purpose prescribed in title 36, chapter 18, article 2.

2. A daily off-sale special event license authorizing a charitable auction for the sale of spirituous liquor for consumption off premises.

B. Before the director may issue a temporary special event license, a special event that is to occur at an otherwise unlicensed location or by a licensee at a location that is not fully within the licensee's existing licensed premises must be approved by the board of supervisors of a county if the event is to be held in an unincorporated area or by the governing body of the city or town if the event is to be held in a city or town.

C. The approval process prescribed in this section does not apply to physical locations that are fully within premises licensed pursuant to this title.

D. A physical location, other than a physical location that is owned, operated, leased, managed or controlled by the United States, this state or a city, town or county of this state, that is not licensed pursuant to this title may not be issued more than twelve special event licenses during the same calendar year. All applications for a special event license issued pursuant to this subsection must be submitted to the department at least ten days before the scheduled event.

E. The director may only issue the special event license to a political party or campaign committee supporting a candidate for public office or a ballot measure, an organization formed for a specific charitable or civic purpose, a fraternal organization in existence for over five years with a regular membership or a religious organization.

F. The director may issue a special event license concurrently with a wine festival license and a craft distillery festival license and may approve the location of the wine festival license within an excluded area of a special event license specifically described in each license. Notwithstanding section 4-244, paragraphs 13 and 19, both licenses shall permit the presence of purchased spirituous liquor in the possession of the purchaser.

G. An organization selling spirituous liquor under a special event license shall purchase the spirituous liquor from the holder of a license authorized to sell off-sale or a licensed wholesaler. In the case of a nonprofit organization that has obtained a special event license for the purpose of charitable fund-raising activities, the nonprofit organization may receive the spirituous liquor from a wholesaler, farm winery, microbrewery or producer as a donation, except that a licensee licensed pursuant to subsection A, paragraph 2 of this section may receive spirituous liquor from a donor when the donor receives no remuneration or payment of any kind, directly or indirectly, other than any tax benefits that might result.

H. An organization that is issued a license pursuant to subsection A, paragraph 2 of this section shall receive at least seventy-five per cent of the gross receipts of the auction. Up to twenty-five per cent of the gross receipts of a special event auction conducted pursuant to subsection A, paragraph 2 of this section may be used to pay reasonable and necessary expenses incurred in connection with the auction. All expenses shall be supported by written contracts, invoices or receipts, which shall be made available to the director on request.

I. The director may adopt those rules the director determines are necessary to implement and administer this section including a limitation on the number of times during a calendar year a qualified organization may apply for and be issued a license under this section. The qualified organization issued a license pursuant to subsection A, paragraph 1 of this section must receive at least twenty-five per cent of the gross revenues of all spirituous liquor sold at the special events, which shall be supported by a contract between the parties to be supplied at the time of application.

J. An organization that is issued a license pursuant to subsection A, paragraph 2 of this section shall not sell more than twenty cases of spirituous liquor annually under a special event license.

K. Section 4-201 does not apply to the licenses provided for under this section.

L. A licensed wholesaler may donate spirituous liquor directly to an organization that is issued a license pursuant to subsection A of this section. The licensed wholesaler shall in such instances issue a net zero cost billing invoice in the name of the special event licensee. All licensees making or receiving spirituous liquor donations remain subject to the applicable limitations and requirements set forth in this title and in the rules adopted by the department.

M. A licensed wholesaler may temporarily leave a delivery vehicle and other items of equipment necessary for the sale or service of spirituous liquor on the premises of a licensed special event for the duration of the event and up to one business day before and after the event.

N. A licensed wholesaler may leave spirituous liquor products at a special event if the products are properly described on a preliminary billing invoice from the wholesaler that is issued in the name of the special event licensee. The licensed wholesaler has up to five business days after the special event ends to make any necessary billing adjustments and issue a final billing invoice to the special event licensee.

**MEETING DATE/TYPES: COMBINED WORKSHOP & 6-2-15
SPECIAL VOTING MEETING**

DEPARTMENT: City Clerk

AGENDA ITEM: Special Event Liquor License Applications

Approved By:		Date:
City Clerk:	DeLong, Dana	05/27/2015
City Manager:	McConnell, Craig	05/27/2015

Liquor License Applications

The following special event liquor license applications are presented for Council consideration.

- A. Boys and Girls Club of Central Arizona
The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Gerald Szostak
City Application Number: 15-0013S
Date/Time of Event: Friday, June 26, 2015, 5:00 pm – 10:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

- B. J.S. Acker Music Park Association, Inc.
The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Scott T. Currey
City Application Number: 15-0014S
Date/Time of Event: Friday and Saturday, July 3 - 4, 2015, 12:00 pm – 7:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

- C. Yavapai Exceptional Industries, Inc.

The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Bradley John Newman
City Application No. 15-0015S
Date/Time of Event: Friday, July 24, 2015, 5:00 pm – 10 pm

The application has been reviewed and determined to be in compliance with City requirements.

D. J.S. Acker Music Park Association, Inc.

The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Scott T. Currey
City Application No. 15-0016S
Date/Time of Event: Friday, August 28, 2015, 5:00 pm – 10:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

E. The Launch Pad Teen Center

The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Courtney Osterfelt
City Application No. 15-0017S
Date/Time of Event: Friday, September 25, 2015, 5:00 pm – 10:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

Background

Special Event Liquor Licenses are processed in a similar manner as other liquor license applications, except that there are no posting or protest period requirements, and no school location restrictions. These licenses permit the sale of all spirituous liquor for consumption on the licensed premises. They can be issued only to: (1) a political party or campaign committee; (2) an organization formed for a specific charitable or civic purpose; (3) a fraternal organization in existence for over five years with a regular membership; or (4) a religious organization. Qualifying organizations will be granted a special event license for no more than ten (10) days per calendar year. The State places primary emphasis on the City's recommendation in deciding whether or not to issue these licenses.

Financial Impact

The application and license fees have been paid. According to State law, proceeds from liquor license fees are required to be used for hospitality promotion (tourism development) purposes.

Attachments

1. Boys and Girls Club Application Information and Location Map
2. J.S. Acker Music Park Association, Inc., Application Information and Location Map
3. Yavapai Exceptional Industries, Inc., Application Information and Location Map
4. J.S. Acker Music Park Association, Inc., Application Information and Location Map
5. The Launch Pad Teen Center Application Information and Location Map
6. Liquor License Series Number Definitions
7. ARS §4-203.02: Special event licenses: rules

Recommended Action: MOVE to forward special event liquor license applications II.A. – II.E. to the Arizona State Liquor Board with a recommendation of approval/denial.

ITEM II.C. – Yavapai Exceptional Industries, Inc.

II.C. Applicant Name	Event Location
Bradley John Newman	The Holiday Courtyard of the Grand Highland Hotel 150 South Montezuma Street

Yavapai Exceptional Industries, Inc.	Event Days/Date Time
Application No. 15-0015S	Friday, July 24, 2015, 5:00 pm – 10:00 pm

Organizations & Individuals Receiving Proceeds

Yavapai Exceptional Industries	25%
The Grand Highland Hotel	75%

Staff Recommendation

Community Development	In Compliance
Public Comment Received	None

NOTE: Location Map Attached

Hand-drawn site map of the event area. The map shows a large rectangular area labeled "150 FT" in width. On the left side, there is a "PARKING GRACE" area and an "ALLEY" labeled "50" with a double-headed arrow. A "BLOCKWALL" runs along the top edge. The main area contains a "STAGE" on the left, a "PATIO DANCE FLOOR" in the center, a "FOOL" area, and a "BAR SERVING AREA DRINKS" with a "PUNTER" and "GATE" nearby. To the right of the bar is a "BATHROOMS" area. Further right are two "PATIO" areas, each with four circles representing tables. A "SIDEWALK" runs along the bottom edge, with "HOTEL BUILDING" and "MONTAZUMA STREET" labeled. A "COURTARD" is also indicated. A north arrow points towards the top right. A legend at the bottom right explains the symbols: a square with "S" for "Security Guard Stationary", a circle for "table", and an "X" for "sign posted". A note at the bottom right states "EVENT SIZE = 150 FT X 50 FT".

LIQUOR LICENSE SERIES NUMBER DEFINITIONS

- 1 **In-State Producer**, all spirituous liquor, produced on-premises, may sell to Arizona-licensed wholesalers only.
- 2 **Out-of-state Producer**, all spirituous liquor, produced on-premises, may sell to Arizona-licensed wholesalers only.
- 3 **Microbrewery**, less than 1,240,000 gallons of beer produced annually on premises, unlimited on- and off-sale, less than 93,000 gallons may be distributed to retail licensees annually.
- 4 **Wholesaler**, all spirituous liquor, purchased from in- and out-of-state Arizona licensed producers, may sell to Arizona-licensed retailers.
- 5 **Government**, all spirituous liquor, may sell to patrons to consume on premises.
- 6 **Bar**, all spirituous liquor, off-sale sales in original, unopened container may not exceed 30% of on-sale receipts, may sell to patrons to consume on premises.
- 7 **Beer and Wine Bar**, beer and wine only, off-sale sales in original, unopened container may not exceed 30% of on-sale receipts, may sell to patrons to consume on premises.
- 9 **Liquor Store**, all spirituous liquor, may sell "carry-out" to patrons to consume off-premises, on-site temporary sampling events hosted by producer or wholesaler.
- 9S **Liquor Store with Sampling Privileges**, all spirituous liquor, may sell "carry-out" to patrons to consume off-premises, provide limited residential delivery, on-site permanent sampling events using store inventory.
- 10 **Beer and Wine Store**, beer and wine only, may sell "carry-out" to patrons to consume off-premises, on-site temporary sampling events hosted by producer or wholesaler.
- 10S **Beer and Wine Store with Sampling Privileges**, beer and wine only, may sell "carry-out" to patrons to consume off-premises, on-site permanent sampling events using store inventory.
- 11 **Hotel/Motel w/Restaurant**, all spirituous liquor, may sell to patrons to consume on premises.
- 12 **Restaurant**, all spirituous liquor, may sell to patrons to consume on premises.
- 13 **Farm Winery**, produces at least 200 gallons, but not more than 40,000 gallons of wine annually, produced on premises and by other domestic farm wineries.
- 14 **Private Club**, all spirituous liquor, may sell to bona fide members & their guests for on-premises consumption.
- 15 **Special Event**, all spirituous liquor, temporary license, off-sale allowed by auction in closed, original container for off-sale consumption, may sell to patrons to consume on premises.
- 18 **In-State Craft Distillery**, less than 20,000 gallons of distilled spirits annually on-premises, may sell and ship to Arizona licensed wholesalers. May sell and ship to Arizona-licensed retailers when annual production is less than 1,189 gallons. On-and off-sale retail privileges on licensed premises.
- 19 **Remote Tasting Room**, owned and operated by a licensee that concurrently owns one of the following Arizona liquor licenses: (1) Series 2W, Out-of-state Farm Winery; (2) Series 2D, Out-of-state Craft Distillery; (3) Series 13, In-state Farm Winery; or (4) Series 18, In-state Craft Distiller.

4-203.02. Special event license; rules

A. The director may issue on a temporary basis:

1. A daily on-sale special event license authorizing the sale of spirituous liquor for consumption on the premises where sold. The fee for the license is twenty-five dollars per day. The director shall transfer the monies collected to the department of health services for the purpose prescribed in title 36, chapter 18, article 2.

2. A daily off-sale special event license authorizing a charitable auction for the sale of spirituous liquor for consumption off premises.

B. Before the director may issue a temporary special event license, a special event that is to occur at an otherwise unlicensed location or by a licensee at a location that is not fully within the licensee's existing licensed premises must be approved by the board of supervisors of a county if the event is to be held in an unincorporated area or by the governing body of the city or town if the event is to be held in a city or town.

C. The approval process prescribed in this section does not apply to physical locations that are fully within premises licensed pursuant to this title.

D. A physical location, other than a physical location that is owned, operated, leased, managed or controlled by the United States, this state or a city, town or county of this state, that is not licensed pursuant to this title may not be issued more than twelve special event licenses during the same calendar year. All applications for a special event license issued pursuant to this subsection must be submitted to the department at least ten days before the scheduled event.

E. The director may only issue the special event license to a political party or campaign committee supporting a candidate for public office or a ballot measure, an organization formed for a specific charitable or civic purpose, a fraternal organization in existence for over five years with a regular membership or a religious organization.

F. The director may issue a special event license concurrently with a wine festival license and a craft distillery festival license and may approve the location of the wine festival license within an excluded area of a special event license specifically described in each license. Notwithstanding section 4-244, paragraphs 13 and 19, both licenses shall permit the presence of purchased spirituous liquor in the possession of the purchaser.

G. An organization selling spirituous liquor under a special event license shall purchase the spirituous liquor from the holder of a license authorized to sell off-sale or a licensed wholesaler. In the case of a nonprofit organization that has obtained a special event license for the purpose of charitable fund-raising activities, the nonprofit organization may receive the spirituous liquor from a wholesaler, farm winery, microbrewery or producer as a donation, except that a licensee licensed pursuant to subsection A, paragraph 2 of this section may receive spirituous liquor from a donor when the donor receives no remuneration or payment of any kind, directly or indirectly, other than any tax benefits that might result.

H. An organization that is issued a license pursuant to subsection A, paragraph 2 of this section shall receive at least seventy-five per cent of the gross receipts of the auction. Up to twenty-five per cent of the gross receipts of a special event auction conducted pursuant to subsection A, paragraph 2 of this section may be used to pay reasonable and necessary expenses incurred in connection with the auction. All expenses shall be supported by written contracts, invoices or receipts, which shall be made available to the director on request.

I. The director may adopt those rules the director determines are necessary to implement and administer this section including a limitation on the number of times during a calendar year a qualified organization may apply for and be issued a license under this section. The qualified organization issued a license pursuant to subsection A, paragraph 1 of this section must receive at least twenty-five per cent of the gross revenues of all spirituous liquor sold at the special events, which shall be supported by a contract between the parties to be supplied at the time of application.

J. An organization that is issued a license pursuant to subsection A, paragraph 2 of this section shall not sell more than twenty cases of spirituous liquor annually under a special event license.

K. Section 4-201 does not apply to the licenses provided for under this section.

L. A licensed wholesaler may donate spirituous liquor directly to an organization that is issued a license pursuant to subsection A of this section. The licensed wholesaler shall in such instances issue a net zero cost billing invoice in the name of the special event licensee. All licensees making or receiving spirituous liquor donations remain subject to the applicable limitations and requirements set forth in this title and in the rules adopted by the department.

M. A licensed wholesaler may temporarily leave a delivery vehicle and other items of equipment necessary for the sale or service of spirituous liquor on the premises of a licensed special event for the duration of the event and up to one business day before and after the event.

N. A licensed wholesaler may leave spirituous liquor products at a special event if the products are properly described on a preliminary billing invoice from the wholesaler that is issued in the name of the special event licensee. The licensed wholesaler has up to five business days after the special event ends to make any necessary billing adjustments and issue a final billing invoice to the special event licensee.

**MEETING DATE/TYPES: COMBINED WORKSHOP & 6-2-15
SPECIAL VOTING MEETING**

DEPARTMENT: City Clerk

AGENDA ITEM: Special Event Liquor License Applications

Approved By:		Date:
City Clerk:	DeLong, Dana	05/27/2015
City Manager:	McConnell, Craig	05/27/2015

Liquor License Applications

The following special event liquor license applications are presented for Council consideration.

- A. Boys and Girls Club of Central Arizona
The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Gerald Szostak
City Application Number: 15-0013S
Date/Time of Event: Friday, June 26, 2015, 5:00 pm – 10:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

- B. J.S. Acker Music Park Association, Inc.
The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Scott T. Currey
City Application Number: 15-0014S
Date/Time of Event: Friday and Saturday, July 3 - 4, 2015, 12:00 pm – 7:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

- C. Yavapai Exceptional Industries, Inc.

The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Bradley John Newman
City Application No. 15-0015S
Date/Time of Event: Friday, July 24, 2015, 5:00 pm – 10 pm

The application has been reviewed and determined to be in compliance with City requirements.

D. J.S. Acker Music Park Association, Inc.

The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Scott T. Currey
City Application No. 15-0016S
Date/Time of Event: Friday, August 28, 2015, 5:00 pm – 10:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

E. The Launch Pad Teen Center

The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Courtney Osterfelt
City Application No. 15-0017S
Date/Time of Event: Friday, September 25, 2015, 5:00 pm – 10:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

Background

Special Event Liquor Licenses are processed in a similar manner as other liquor license applications, except that there are no posting or protest period requirements, and no school location restrictions. These licenses permit the sale of all spirituous liquor for consumption on the licensed premises. They can be issued only to: (1) a political party or campaign committee; (2) an organization formed for a specific charitable or civic purpose; (3) a fraternal organization in existence for over five years with a regular membership; or (4) a religious organization. Qualifying organizations will be granted a special event license for no more than ten (10) days per calendar year. The State places primary emphasis on the City's recommendation in deciding whether or not to issue these licenses.

Financial Impact

The application and license fees have been paid. According to State law, proceeds from liquor license fees are required to be used for hospitality promotion (tourism development) purposes.

Attachments

1. Boys and Girls Club Application Information and Location Map
2. J.S. Acker Music Park Association, Inc., Application Information and Location Map
3. Yavapai Exceptional Industries, Inc., Application Information and Location Map
4. J.S. Acker Music Park Association, Inc., Application Information and Location Map
5. The Launch Pad Teen Center Application Information and Location Map
6. Liquor License Series Number Definitions
7. ARS §4-203.02: Special event licenses: rules

Recommended Action: MOVE to forward special event liquor license applications II.A. – II.E. to the Arizona State Liquor Board with a recommendation of approval/denial.

ITEM II.D. – J.S. Acker Music Park Association, Inc.

II.D. Applicant Name	Event Location
Scott T. Currey	The Holiday Courtyard of the Grand Highland Hotel 150 South Montezuma Street

J.S. Acker Music Park Association, Inc.	Event Days/Date Time
Application No. 15-0016S	Friday, August 28, 2015, 5:00 pm – 10:00 pm

Organizations & Individuals Receiving Proceeds

J.S. Acker Music Park Association, Inc.	25%
The Grand Highland Hotel	75%

Staff Recommendation

Community Development	In Compliance
Public Comment Received	None

NOTE: Location Map Attached

Hand-drawn site map of the event area. The map shows a large rectangular area labeled "150 FT" in width. On the left side, there is a "PARKING GRACE" area and an "ALLEY" labeled "50" with a double-headed arrow. A "BLOCKWALL" runs along the top edge. The main area contains a "STAGE" on the left, a "PATIO DANCE FLOOR" in the center, and a "FOOL" area on the right. A "S-ROVER" is marked in the center. Along the bottom edge, there is a "PUNTER" area, a "BAR SERVING AREA DRINKS", a "GATE", "OFFICE", and "BATHROOMS". On the right side, there are two "PATIO" areas, each with four circles representing tables. A "HOTEL BUILDING" is located to the right of the main area, and a "SIDEWALK" runs along the bottom edge. A "BUILDING" is labeled on the right side. A "MONTAZUMA STREET" runs along the right edge, and a "150 S. STREET" runs along the top edge. A "COURTARD" is labeled near the bottom right. A north arrow points towards the top right corner. A legend at the bottom right explains the symbols: "S" for security guard, "O" for table, and "X" for sign posted. A note at the bottom right states "NO ALCOHOL BEYOND THIS POINT".

LIQUOR LICENSE SERIES NUMBER DEFINITIONS

- 1 **In-State Producer**, all spirituous liquor, produced on-premises, may sell to Arizona-licensed wholesalers only.
- 2 **Out-of-state Producer**, all spirituous liquor, produced on-premises, may sell to Arizona-licensed wholesalers only.
- 3 **Microbrewery**, less than 1,240,000 gallons of beer produced annually on premises, unlimited on- and off-sale, less than 93,000 gallons may be distributed to retail licensees annually.
- 4 **Wholesaler**, all spirituous liquor, purchased from in- and out-of-state Arizona licensed producers, may sell to Arizona-licensed retailers.
- 5 **Government**, all spirituous liquor, may sell to patrons to consume on premises.
- 6 **Bar**, all spirituous liquor, off-sale sales in original, unopened container may not exceed 30% of on-sale receipts, may sell to patrons to consume on premises.
- 7 **Beer and Wine Bar**, beer and wine only, off-sale sales in original, unopened container may not exceed 30% of on-sale receipts, may sell to patrons to consume on premises.
- 9 **Liquor Store**, all spirituous liquor, may sell "carry-out" to patrons to consume off-premises, on-site temporary sampling events hosted by producer or wholesaler.
- 9S **Liquor Store with Sampling Privileges**, all spirituous liquor, may sell "carry-out" to patrons to consume off-premises, provide limited residential delivery, on-site permanent sampling events using store inventory.
- 10 **Beer and Wine Store**, beer and wine only, may sell "carry-out" to patrons to consume off-premises, on-site temporary sampling events hosted by producer or wholesaler.
- 10S **Beer and Wine Store with Sampling Privileges**, beer and wine only, may sell "carry-out" to patrons to consume off-premises, on-site permanent sampling events using store inventory.
- 11 **Hotel/Motel w/Restaurant**, all spirituous liquor, may sell to patrons to consume on premises.
- 12 **Restaurant**, all spirituous liquor, may sell to patrons to consume on premises.
- 13 **Farm Winery**, produces at least 200 gallons, but not more than 40,000 gallons of wine annually, produced on premises and by other domestic farm wineries.
- 14 **Private Club**, all spirituous liquor, may sell to bona fide members & their guests for on-premises consumption.
- 15 **Special Event**, all spirituous liquor, temporary license, off-sale allowed by auction in closed, original container for off-sale consumption, may sell to patrons to consume on premises.
- 18 **In-State Craft Distillery**, less than 20,000 gallons of distilled spirits annually on-premises, may sell and ship to Arizona licensed wholesalers. May sell and ship to Arizona-licensed retailers when annual production is less than 1,189 gallons. On-and off-sale retail privileges on licensed premises.
- 19 **Remote Tasting Room**, owned and operated by a licensee that concurrently owns one of the following Arizona liquor licenses: (1) Series 2W, Out-of-state Farm Winery; (2) Series 2D, Out-of-state Craft Distillery; (3) Series 13, In-state Farm Winery; or (4) Series 18, In-state Craft Distiller.

4-203.02. Special event license; rules

A. The director may issue on a temporary basis:

1. A daily on-sale special event license authorizing the sale of spirituous liquor for consumption on the premises where sold. The fee for the license is twenty-five dollars per day. The director shall transfer the monies collected to the department of health services for the purpose prescribed in title 36, chapter 18, article 2.

2. A daily off-sale special event license authorizing a charitable auction for the sale of spirituous liquor for consumption off premises.

B. Before the director may issue a temporary special event license, a special event that is to occur at an otherwise unlicensed location or by a licensee at a location that is not fully within the licensee's existing licensed premises must be approved by the board of supervisors of a county if the event is to be held in an unincorporated area or by the governing body of the city or town if the event is to be held in a city or town.

C. The approval process prescribed in this section does not apply to physical locations that are fully within premises licensed pursuant to this title.

D. A physical location, other than a physical location that is owned, operated, leased, managed or controlled by the United States, this state or a city, town or county of this state, that is not licensed pursuant to this title may not be issued more than twelve special event licenses during the same calendar year. All applications for a special event license issued pursuant to this subsection must be submitted to the department at least ten days before the scheduled event.

E. The director may only issue the special event license to a political party or campaign committee supporting a candidate for public office or a ballot measure, an organization formed for a specific charitable or civic purpose, a fraternal organization in existence for over five years with a regular membership or a religious organization.

F. The director may issue a special event license concurrently with a wine festival license and a craft distillery festival license and may approve the location of the wine festival license within an excluded area of a special event license specifically described in each license. Notwithstanding section 4-244, paragraphs 13 and 19, both licenses shall permit the presence of purchased spirituous liquor in the possession of the purchaser.

G. An organization selling spirituous liquor under a special event license shall purchase the spirituous liquor from the holder of a license authorized to sell off-sale or a licensed wholesaler. In the case of a nonprofit organization that has obtained a special event license for the purpose of charitable fund-raising activities, the nonprofit organization may receive the spirituous liquor from a wholesaler, farm winery, microbrewery or producer as a donation, except that a licensee licensed pursuant to subsection A, paragraph 2 of this section may receive spirituous liquor from a donor when the donor receives no remuneration or payment of any kind, directly or indirectly, other than any tax benefits that might result.

H. An organization that is issued a license pursuant to subsection A, paragraph 2 of this section shall receive at least seventy-five per cent of the gross receipts of the auction. Up to twenty-five per cent of the gross receipts of a special event auction conducted pursuant to subsection A, paragraph 2 of this section may be used to pay reasonable and necessary expenses incurred in connection with the auction. All expenses shall be supported by written contracts, invoices or receipts, which shall be made available to the director on request.

I. The director may adopt those rules the director determines are necessary to implement and administer this section including a limitation on the number of times during a calendar year a qualified organization may apply for and be issued a license under this section. The qualified organization issued a license pursuant to subsection A, paragraph 1 of this section must receive at least twenty-five per cent of the gross revenues of all spirituous liquor sold at the special events, which shall be supported by a contract between the parties to be supplied at the time of application.

J. An organization that is issued a license pursuant to subsection A, paragraph 2 of this section shall not sell more than twenty cases of spirituous liquor annually under a special event license.

K. Section 4-201 does not apply to the licenses provided for under this section.

L. A licensed wholesaler may donate spirituous liquor directly to an organization that is issued a license pursuant to subsection A of this section. The licensed wholesaler shall in such instances issue a net zero cost billing invoice in the name of the special event licensee. All licensees making or receiving spirituous liquor donations remain subject to the applicable limitations and requirements set forth in this title and in the rules adopted by the department.

M. A licensed wholesaler may temporarily leave a delivery vehicle and other items of equipment necessary for the sale or service of spirituous liquor on the premises of a licensed special event for the duration of the event and up to one business day before and after the event.

N. A licensed wholesaler may leave spirituous liquor products at a special event if the products are properly described on a preliminary billing invoice from the wholesaler that is issued in the name of the special event licensee. The licensed wholesaler has up to five business days after the special event ends to make any necessary billing adjustments and issue a final billing invoice to the special event licensee.

**MEETING DATE/TYPES: COMBINED WORKSHOP & 6-2-15
SPECIAL VOTING MEETING**

DEPARTMENT: City Clerk

AGENDA ITEM: Special Event Liquor License Applications

Approved By:		Date:
City Clerk:	DeLong, Dana	05/27/2015
City Manager:	McConnell, Craig	05/27/2015

Liquor License Applications

The following special event liquor license applications are presented for Council consideration.

- A. Boys and Girls Club of Central Arizona
The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Gerald Szostak
City Application Number: 15-0013S
Date/Time of Event: Friday, June 26, 2015, 5:00 pm – 10:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

- B. J.S. Acker Music Park Association, Inc.
The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Scott T. Currey
City Application Number: 15-0014S
Date/Time of Event: Friday and Saturday, July 3 - 4, 2015, 12:00 pm – 7:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

- C. Yavapai Exceptional Industries, Inc.

The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Bradley John Newman
City Application No. 15-0015S
Date/Time of Event: Friday, July 24, 2015, 5:00 pm – 10 pm

The application has been reviewed and determined to be in compliance with City requirements.

D. J.S. Acker Music Park Association, Inc.

The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Scott T. Currey
City Application No. 15-0016S
Date/Time of Event: Friday, August 28, 2015, 5:00 pm – 10:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

E. The Launch Pad Teen Center

The Holiday Courtyard of the Grand Highland Hotel, 150 South Montezuma Street
Applicant: Courtney Osterfelt
City Application No. 15-0017S
Date/Time of Event: Friday, September 25, 2015, 5:00 pm – 10:00 pm

The application has been reviewed and determined to be in compliance with City requirements.

Background

Special Event Liquor Licenses are processed in a similar manner as other liquor license applications, except that there are no posting or protest period requirements, and no school location restrictions. These licenses permit the sale of all spirituous liquor for consumption on the licensed premises. They can be issued only to: (1) a political party or campaign committee; (2) an organization formed for a specific charitable or civic purpose; (3) a fraternal organization in existence for over five years with a regular membership; or (4) a religious organization. Qualifying organizations will be granted a special event license for no more than ten (10) days per calendar year. The State places primary emphasis on the City's recommendation in deciding whether or not to issue these licenses.

Financial Impact

The application and license fees have been paid. According to State law, proceeds from liquor license fees are required to be used for hospitality promotion (tourism development) purposes.

Attachments

1. Boys and Girls Club Application Information and Location Map
2. J.S. Acker Music Park Association, Inc., Application Information and Location Map
3. Yavapai Exceptional Industries, Inc., Application Information and Location Map
4. J.S. Acker Music Park Association, Inc., Application Information and Location Map
5. The Launch Pad Teen Center Application Information and Location Map
6. Liquor License Series Number Definitions
7. ARS §4-203.02: Special event licenses: rules

Recommended Action: MOVE to forward special event liquor license applications II.A. – II.E. to the Arizona State Liquor Board with a recommendation of approval/denial.

ITEM II.E. – The Launch Pad Teen Center

II.E. Applicant Name	Event Location
Courtney Osterfelt	The Holiday Courtyard of the Grand Highland Hotel 150 South Montezuma Street

The Launch Pad Teen Center	Event Days/Date Time
Application No. 15-00176S	Friday, September 25, 2015, 5:00 pm – 10:00 pm

Organizations & Individuals Receiving Proceeds	
The Launch Pad Teen Center	25%
The Grand Highland Hotel	75%

Staff Recommendation	
Community Development	In Compliance
Public Comment Received	None

NOTE: Location Map Attached

Hand-drawn site map of the event area. The map shows a large rectangular area labeled "150 FT" in width. On the left side, there is a "PARKING GRACE" area and an "ALLEY" labeled "50" with a double-headed arrow. A "BLOCKWALL" runs along the top edge. The main area contains a "STAGE" on the left, a "PATIO DANCE FLOOR" in the center, and a "FOOL" area on the right. A "S-ROVER" is marked in the center. Along the bottom edge, there is a "PUNTER" area, a "BAR SERVING AREA DRINKS", a "GATE", "OFFICE", and "BATHROOMS". On the right side, there are two "PATIO" areas, each with four circles representing tables. A "HOTEL BUILDING" is located to the right of the main area, and a "SIDEWALK" runs along the bottom edge. A "BUILDING" is labeled on the right side. A "MONTAZUMA STREET" runs along the right edge, and a "150 S. STREET" runs along the top edge. A "COURTARD" is labeled near the bottom right. A north arrow points towards the top right corner. A legend at the bottom right explains the symbols: "S" for security guard, "O" for table, and "X" for sign posted. A note at the bottom right states "NO ALCOHOL BEYOND THIS POINT".

LIQUOR LICENSE SERIES NUMBER DEFINITIONS

- 1 **In-State Producer**, all spirituous liquor, produced on-premises, may sell to Arizona-licensed wholesalers only.
- 2 **Out-of-state Producer**, all spirituous liquor, produced on-premises, may sell to Arizona-licensed wholesalers only.
- 3 **Microbrewery**, less than 1,240,000 gallons of beer produced annually on premises, unlimited on- and off-sale, less than 93,000 gallons may be distributed to retail licensees annually.
- 4 **Wholesaler**, all spirituous liquor, purchased from in- and out-of-state Arizona licensed producers, may sell to Arizona-licensed retailers.
- 5 **Government**, all spirituous liquor, may sell to patrons to consume on premises.
- 6 **Bar**, all spirituous liquor, off-sale sales in original, unopened container may not exceed 30% of on-sale receipts, may sell to patrons to consume on premises.
- 7 **Beer and Wine Bar**, beer and wine only, off-sale sales in original, unopened container may not exceed 30% of on-sale receipts, may sell to patrons to consume on premises.
- 9 **Liquor Store**, all spirituous liquor, may sell "carry-out" to patrons to consume off-premises, on-site temporary sampling events hosted by producer or wholesaler.
- 9S **Liquor Store with Sampling Privileges**, all spirituous liquor, may sell "carry-out" to patrons to consume off-premises, provide limited residential delivery, on-site permanent sampling events using store inventory.
- 10 **Beer and Wine Store**, beer and wine only, may sell "carry-out" to patrons to consume off-premises, on-site temporary sampling events hosted by producer or wholesaler.
- 10S **Beer and Wine Store with Sampling Privileges**, beer and wine only, may sell "carry-out" to patrons to consume off-premises, on-site permanent sampling events using store inventory.
- 11 **Hotel/Motel w/Restaurant**, all spirituous liquor, may sell to patrons to consume on premises.
- 12 **Restaurant**, all spirituous liquor, may sell to patrons to consume on premises.
- 13 **Farm Winery**, produces at least 200 gallons, but not more than 40,000 gallons of wine annually, produced on premises and by other domestic farm wineries.
- 14 **Private Club**, all spirituous liquor, may sell to bona fide members & their guests for on-premises consumption.
- 15 **Special Event**, all spirituous liquor, temporary license, off-sale allowed by auction in closed, original container for off-sale consumption, may sell to patrons to consume on premises.
- 18 **In-State Craft Distillery**, less than 20,000 gallons of distilled spirits annually on-premises, may sell and ship to Arizona licensed wholesalers. May sell and ship to Arizona-licensed retailers when annual production is less than 1,189 gallons. On-and off-sale retail privileges on licensed premises.
- 19 **Remote Tasting Room**, owned and operated by a licensee that concurrently owns one of the following Arizona liquor licenses: (1) Series 2W, Out-of-state Farm Winery; (2) Series 2D, Out-of-state Craft Distillery; (3) Series 13, In-state Farm Winery; or (4) Series 18, In-state Craft Distiller.

4-203.02. Special event license; rules

A. The director may issue on a temporary basis:

1. A daily on-sale special event license authorizing the sale of spirituous liquor for consumption on the premises where sold. The fee for the license is twenty-five dollars per day. The director shall transfer the monies collected to the department of health services for the purpose prescribed in title 36, chapter 18, article 2.

2. A daily off-sale special event license authorizing a charitable auction for the sale of spirituous liquor for consumption off premises.

B. Before the director may issue a temporary special event license, a special event that is to occur at an otherwise unlicensed location or by a licensee at a location that is not fully within the licensee's existing licensed premises must be approved by the board of supervisors of a county if the event is to be held in an unincorporated area or by the governing body of the city or town if the event is to be held in a city or town.

C. The approval process prescribed in this section does not apply to physical locations that are fully within premises licensed pursuant to this title.

D. A physical location, other than a physical location that is owned, operated, leased, managed or controlled by the United States, this state or a city, town or county of this state, that is not licensed pursuant to this title may not be issued more than twelve special event licenses during the same calendar year. All applications for a special event license issued pursuant to this subsection must be submitted to the department at least ten days before the scheduled event.

E. The director may only issue the special event license to a political party or campaign committee supporting a candidate for public office or a ballot measure, an organization formed for a specific charitable or civic purpose, a fraternal organization in existence for over five years with a regular membership or a religious organization.

F. The director may issue a special event license concurrently with a wine festival license and a craft distillery festival license and may approve the location of the wine festival license within an excluded area of a special event license specifically described in each license. Notwithstanding section 4-244, paragraphs 13 and 19, both licenses shall permit the presence of purchased spirituous liquor in the possession of the purchaser.

G. An organization selling spirituous liquor under a special event license shall purchase the spirituous liquor from the holder of a license authorized to sell off-sale or a licensed wholesaler. In the case of a nonprofit organization that has obtained a special event license for the purpose of charitable fund-raising activities, the nonprofit organization may receive the spirituous liquor from a wholesaler, farm winery, microbrewery or producer as a donation, except that a licensee licensed pursuant to subsection A, paragraph 2 of this section may receive spirituous liquor from a donor when the donor receives no remuneration or payment of any kind, directly or indirectly, other than any tax benefits that might result.

H. An organization that is issued a license pursuant to subsection A, paragraph 2 of this section shall receive at least seventy-five per cent of the gross receipts of the auction. Up to twenty-five per cent of the gross receipts of a special event auction conducted pursuant to subsection A, paragraph 2 of this section may be used to pay reasonable and necessary expenses incurred in connection with the auction. All expenses shall be supported by written contracts, invoices or receipts, which shall be made available to the director on request.

I. The director may adopt those rules the director determines are necessary to implement and administer this section including a limitation on the number of times during a calendar year a qualified organization may apply for and be issued a license under this section. The qualified organization issued a license pursuant to subsection A, paragraph 1 of this section must receive at least twenty-five per cent of the gross revenues of all spirituous liquor sold at the special events, which shall be supported by a contract between the parties to be supplied at the time of application.

J. An organization that is issued a license pursuant to subsection A, paragraph 2 of this section shall not sell more than twenty cases of spirituous liquor annually under a special event license.

K. Section 4-201 does not apply to the licenses provided for under this section.

L. A licensed wholesaler may donate spirituous liquor directly to an organization that is issued a license pursuant to subsection A of this section. The licensed wholesaler shall in such instances issue a net zero cost billing invoice in the name of the special event licensee. All licensees making or receiving spirituous liquor donations remain subject to the applicable limitations and requirements set forth in this title and in the rules adopted by the department.

M. A licensed wholesaler may temporarily leave a delivery vehicle and other items of equipment necessary for the sale or service of spirituous liquor on the premises of a licensed special event for the duration of the event and up to one business day before and after the event.

N. A licensed wholesaler may leave spirituous liquor products at a special event if the products are properly described on a preliminary billing invoice from the wholesaler that is issued in the name of the special event licensee. The licensed wholesaler has up to five business days after the special event ends to make any necessary billing adjustments and issue a final billing invoice to the special event licensee.