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DEC 10 2018  
Chandler



**MEMORANDUM**

**Development Services – Memo No. CC18-112FA**

**DATE:** DECEMBER 10, 2018

**TO:** MAYOR AND COUNCIL

**THRU:** MARSHA REED, CITY MANAGER *MR*  
JOSHUA H. WRIGHT, ASSISTANT CITY MANAGER *JHW*  
DEREK D. HORN, DEVELOPMENT SERVICES DIRECTOR *#*  
KEVIN MAYO, PLANNING ADMINISTRATOR *KA*  
DAVID DE LA TORRE, PLANNING MANAGER *DDLT*

**FROM:** SUSAN FIALA, AICP, CITY PLANNER *SF*

**SUBJECT:** ZCA18-0002 CITY OF CHANDLER/ZONING CODE AMENDMENTS TO  
TRANSITION FROM LIQUOR USE PERMITS TO ENTERTAINMENT USE  
PERMITS

Final Adoption of Ordinance No. 4846

**Request:** City initiative to amend Chapter 35, Land Use and Zoning, of the City of Chandler, Arizona, City Code regarding the transition from Liquor Use Permits to Entertainment Use Permits

**Applicant:** City of Chandler

**RECOMMENDATION**

Upon finding the request to be consistent with the General Plan, Planning Commission and Planning staff recommend City Council adopt Ordinance No. 4846.

**BACKGROUND**

The request is a City initiative to amend Chapter 35, Land Use and Zoning, of the City of Chandler, Arizona, City Code to transition from Liquor Use Permits (LUP) to Entertainment Use Permits (EUP). The zoning code amendments are proposed to address liquor regulation and utilize the appropriate zoning process to evaluate the potential impact of entertainment activities on residential properties.

Since 1980, the City has required all businesses selling and serving liquor located in any zoning district to obtain Liquor Use Permit approval by Planning Commission and City Council. This requirement has presented several challenges over the years including:

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- Lack of legal authority to restrict liquor sales
- Delay of business operations (not business friendly)
- Delay of internal processing of liquor license applications

The proposed transition of use permit types presents an opportunity to align regulations with other municipalities. Staff researched other municipalities in the Phoenix Metropolitan Area (PMA) and found that no other municipality regulates liquor sales through a use permit; however, many cities process entertainment related activities through a use permit. Staff's research revealed that each municipality's regulations varied on the location of the business, i.e. zoning district, distance to residential, as well as the type of entertainment, i.e. size and number of members in a band, dancing, stage size, etc. The similarity between the various jurisdictions was found to be the ability to evaluate and address potential impacts of live entertainment on adjacent land uses, including residential and commercial through a use permit process.

### **PROPOSED AMENDMENTS**

The proposed amendments would require a Use Permit when all of the following three criteria are met:

1. Entertainment activity/outdoor seating with speakers are provided;
2. Alcoholic beverages are sold or served; and
3. The property is located within 600 feet from residential, or 1,320 feet from residential when live outdoor entertainment is provided.

The amendment would reduce approximately 50 percent of the currently required Liquor Use Permits, which would result in outcomes that streamline internal processes, demonstrate a proactive efficiency to the business community and maintain a commitment to protect residential land uses. The proposed revisions would create the appropriate zoning process to address entertainment activity impacts to residential properties while removing constraints on restaurants, bars, and other establishments that simply request to sell and serve liquor.

The proposed use permit process would be the same as the process currently required for Liquor Use Permits, which includes a neighborhood meeting, Planning Commission recommendation, and City Council approval.

### **PUBLIC REVIEW/ STAKEHOLDER OUTREACH**

- The proposed amendments were presented, reviewed, and endorsed by the Airport, Municipal Utilities, Planning, and Transportation and Development Council Subcommittee on Tuesday, September 11, 2018.
- As required by Arizona Revised Statutes, hearing dates for the Planning Commission and City Council, as well as the proposed amendments to the City Code (redlined version) have been published in an eighth-page newspaper ad at least fifteen days prior to the first required public hearing.
- Notification containing a copy of the draft, request for comments, and public hearing dates was sent electronically to the following stakeholders: Chandler Chamber of Commerce, Downtown Chandler Community Partnership, Arizona Restaurant Association, Arizona

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Licensed Beverage Association, individual liquor agents, and Registered Neighborhood Organization contacts.

- A link to the draft code amendment was posted on the City's website and social media.
- Chandler Chamber of Commerce and a liquor agent stated their support of the proposed amendments.
- As of the writing of this memo, Planning staff is not aware of any opposition to the proposal.

### **PLANNING COMMISSION VOTE REPORT**

Motion to Approve.

In Favor: 7    Opposed: 0

During the Study Session, Vice Chairman Heumann stated that bars should continue to go through the Use Permit process regardless of location due to their potential impact on surrounding properties. Additionally, he stated that establishments with live outdoor entertainment impact properties that are greater than 600-feet away. In response, Planning staff revised the ordinance language to continue to require a Use Permit for bars and expanded the distance that triggers a requirement for an Entertainment Use Permit for establishments that provide live outdoor entertainment from 600 feet to 1,320 feet from residential properties.

### **RECOMMENDED ACTION**

Planning Commission and Planning staff recommend City Council adopt Ordinance No. 4846 amending Chapter 35, Land Use and Zoning, of the City of Chandler, Arizona, City Code regarding the transition from Liquor Use Permits to Entertainment Use Permits as presented in ZCA18-0002 CITY OF CHANDLER/ZONING CODE AMDENDMENTS TO TRANSITION FROM LIQUOR USE PERMITS TO ENTERTAINMENT USE PERMITS.

**Ordinance was introduced and tentatively adopted on November 8, 2018.**

### **PROPOSED MOTION**

Move City Council adopt Ordinance No. 4846 amending Chapter 35, Land Use and Zoning, of the City of Chandler, Arizona, City Code regarding the transition from Liquor Use Permits to Entertainment Use Permits as presented in ZCA18-0002 CITY OF CHANDLER/ZONING CODE AMDENDMENTS TO TRANSITION FROM LIQUOR USE PERMITS TO ENTERTAINMENT USE PERMIT.

### **Attachments**

1. Ordinance No. 4846