

INTRODUCED BY ALDERMAN NOLTE

BILL NO. 21-2428

ORDINANCE NO. 21-2313

AN ORDINANCE TO AUTHORIZE THE ABATEMENT OF CERTAIN CITY OF MANCHESTER LIQUOR LICENSE FEES FOR THE 2021-2022 LICENSE YEAR.

WHEREAS, bars and restaurants that hold liquor licenses in the City of Manchester are subject to liquor license renewal fees for the upcoming 2021-2022 license year; and,

WHEREAS, such bars and restaurants weathered significant financial hardships due to the COVID-19 Pandemic in 2020 and continue to experience the burdens of the disease in 2021; and,

WHEREAS, it is the City of Manchester's purpose to promote and protect the welfare of the community, which includes the local businesses that serve as the cornerstone of our community and drive the local economy; and,

WHEREAS, the conditions created by the pandemic pose a substantial threat to the welfare of the community and economy; and,

WHEREAS, the Board of Aldermen is generally authorized for proper government purposes to voluntarily reduce or abate taxes or license fees it charges to persons or businesses without modifying the maximum rate (i.e., the levy) that the City is authorized to charge; and,

WHEREAS, the Board of Aldermen and Mayor of the City of Manchester find that it is just and advisable to abate certain liquor license fees only for the 2021-2022 license year as indicated herein but reserves the right to further abate or waive certain City of Manchester fees or taxes or to collect the maximum rate/levy allowed for future fiscal years.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF MANCHESTER, STATE OF MISSOURI, AS FOLLOWS:

Section One: The Board of Aldermen hereby waives the liquor license fees for retailers classified as a Restaurant Bar, Place of Entertainment - Restaurant, Saloon, Bar, or Tavern only for the 2021-2022 Liquor License year.

Section Two: The City Clerk is hereby authorized and directed to collect liquor license fees for the 2021-2022 license year subject to Section One.

Section Three: This Ordinance having been read by title or in full two (2) times prior to passage, shall be in full force and effect from and after its passage by the Board of

INTRODUCED BY ALDERMAN NOLTE


BILL NO. 21-2428

ORDINANCE NO. 21-2313

Aldermen and approval by the Mayor.

PASSED AND APPROVED THIS 1ST DAY OF MARCH 2021.

CITY OF MANCHESTER, MISSOURI

By: 
Mayor

ATTEST:


City Clerk



Memo

To: Board of Aldermen
Cc: Mike Clement, Mayor
Larry Perney, City Administrator
From: Justin Klocke, City Clerk
Date: February 12, 2021
Re: Liquor License Fee Reduction

Overview

In 2020, several public health orders were issued by St. Louis County in an effort to combat the spread of COVID-19. Unfortunately, restaurants and bars were negatively affected by the County's public health policies. Restaurants and bars were forced to close for several extended periods. The closures created significant burdens on the economic viability of many Manchester restaurants and bars. With limited economic relief from higher levels of government offered to businesses, City staff and the Mayor began to explore avenues that may provide relief for local restaurants and bars.

Following a meeting with Mayor Clement, City Administrator Perney, Director Yucuis, and City Clerk Klocke, the City began to consider liquor license fee abatement for the 2021-2022 cycle. It was discovered that a restaurant or bar may pay up to \$750 for their liquor license in the City of Manchester. In addition to local fees, the State and St. Louis County also charge their own liquor license fees - restaurants may pay as much as \$1,350 for all the liquor licenses that are required. Because of the multiple governmental fees, staff and the Mayor recommend that the Manchester Board of Aldermen consider the abatement of fees for the 2021-2022 liquor license cycle.

Generally speaking, the Board of Aldermen is authorized for proper governmental reasons to voluntarily reduce or abate taxes or license fees it charges to persons or businesses without modifying the maximum rate (i.e., the levy) that the City is authorized to charge. For instance, the Board may abate fees completely and forego the collection of fees entirely for a license period. Alternatively, the Board may abate fees by a certain percent (50% for example) and collect a portion of the maximum levy amount set forth in the Manchester Code of Ordinances.

Attached is an overview of the anticipated liquor license revenues for the 2021-2022 liquor license cycle to understand the effect the abatement may have. The three exhibits reveal the anticipated revenues for restaurant and bar liquor licenses if the Board abates fees by percentages of 0%, 50%, or 100%. The Board is not limited to abating fees by increments of 50%; the Board may choose a percentage that it deems appropriate.

The blue and yellow shaded cells reflect different types of liquor licenses that are available to businesses for certain days of the week. The blue shaded cells represent liquor licenses that are valid for liquor sales by the drink on Monday through Saturday. The yellow shaded cells represent the Sunday Sales fee that is charged for businesses to sell liquor by the drink on Sundays. The grey shaded cells represent the estimated cost that each business will pay to operate based off their liquor license preferences in previous years. The green shaded cells represent the fee cost for each type of liquor license.

Exhibit 1: Manchester Bar and Restaurants Liquor License Fees – Reduced Fee (0%)

Exhibit 1 reveals the costs for restaurants and bars and anticipated annual revenue for the City if the current fee schedule for the 2021-2022 license cycle is maintained. It is estimated that the City will generate \$9,975.00 in restaurant and bar liquor license revenue annually if the fee schedule remains the same.

Exhibit 2: Manchester Bar and Restaurants Liquor License Fees – Reduced Fee (50%)

Exhibit 2 reveals the costs for businesses and anticipated annual revenue for the City if the current fee schedule is reduced by 50%. If a fee reduction of 50% is applied to all liquor licenses that restaurants or bars can apply to, it is estimated that the City will generate \$4,987.00 in revenue annually. This is an anticipated reduction of \$4,988.00 in revenue for the City in the 2021-2022 liquor license cycle.

Exhibit 3: Manchester Bar and Restaurants Liquor License Fees – Reduced Fee (100%)

Exhibit 3 reveals the costs for business and anticipated annual revenue for the City if the current fee schedule is reduced by 100%. If a fee reduction of 100% is applied to all liquor licenses that restaurants or bars can apply to, it is estimated that the City will generate \$0.00 in revenue annually. This is an anticipated reduction of \$9,975.00 in revenue for the City in the 2021-2022 liquor license cycle.

Background on Current Fee Schedule (Section 600.040)

Research reveals that RSMo 311.220 allows cities to assess fees for all types of liquor licenses, and in no case can the fee be more than 1.5 times the amount that the State

charges for the same liquor license. For example, the State charges \$300 for their Retail Liquor by the Drink licenses. The City charges \$450 for the very same license. A review of the City's liquor license fee schedule reveals that former officials established Manchester's fees at the maximum rate of 1.5 times the amount the State charges for the same liquor license.

Conclusion

It is City staff and Mayor Clement's sentiment that the Board of Aldermen and City can reinforce its commitment to ensuring a healthy and prosperous community if a 100% reduction in liquor license fees is enacted for the 2021-2022 liquor license cycle. With the pandemic's end in question, relief for local restaurants and bars will strengthen the economic standing within the City and enable these establishments to divert resources to more critical needs within their business now and in the future. We believe that our restaurants and bars will appreciate the City's show of support for their business health.

Exhibit 1

Manchester Bar and Restaurants Liquor License Fees – Full Fee

Business Name	Malt Liquor	Malt Liquor and Light Wines	Intoxicating Liquor (All Kinds)	Common Eating and Drinking Places	Restaurant Bars	Places of Entertainment, Restaurant	Common Eating and Drinking Places	Liquor by the Drink – Microbrewery	Total
Legion			X		X				\$750.00
Cheers			X		X				\$750.00
Debz Corner			X		X				\$750.00
El Maguey			X		X				\$750.00
El Nopal			X		X				\$750.00
El Toluco		X			X				\$375.00
Joey B's			X		X				\$750.00
Lazy River			X		X				\$750.00
MAA	X								\$75.00
Manee Thai			X		X				\$750.00
Monsoon			X						\$450.00
Rozanna			X		X				\$750.00
Smokee Mo's			X		X				\$750.00
St. Joseph		X							\$75.00
Tuckers			X		X				\$750.00
Westchester			X		X				\$750.00
Price/License	\$75.00	\$75.00	\$450.00	\$450.00	\$300.00	\$300.00	\$300.00	\$300.00	\$9,975.00

Monday – Saturday Sales - Sunday Sales -

Exhibit 2

Manchester Bar and Restaurants Liquor License Fees – Reduced Fee (50%)

Business Name	Malt Liquor	Malt Liquor and Light Wines	Intoxicating Liquor (All Kinds)	Common Eating and Drinking Places	Restaurant Bars	Places of Entertainment, Restaurant	Common Eating and Drinking Places	Liquor by the Drink – Microbrewery	Total
Legion			X		X				\$375.00
Cheers			X		X				\$375.00
Debz Corner			X		X				\$375.00
El Maguey			X		X				\$375.00
El Nopal			X		X				\$375.00
El Toluco		X			X				\$187.50
Joey B's			X		X				\$375.00
Lazy River			X		X				\$375.00
MAA	X								\$37.50
Manee Thai			X		X				\$375.00
Monsoon			X						\$225.00
Rozanna			X		X				\$375.00
Smokey Mo's			X		X				\$375.00
St. Joseph		X							\$37.50
Tuckers			X		X				\$375.00
Westchester			X		X				\$375.00
Price/License	\$37.50	\$37.50	\$225.00	\$225.00	\$150.00	\$150.00	\$150.00	\$150.00	\$4,987.50

Monday – Saturday Sales - Sunday Sales -

Exhibit 3

Manchester Bar and Restaurants Liquor License Fees – Reduced Fee (100%)

Business Name	Malt Liquor	Malt Liquor and Light Wines	Intoxicating Liquor (All Kinds)	Common Eating and Drinking Places	Restaurant Bars	Places of Entertainment, Restaurant	Common Eating and Drinking Places	Liquor by the Drink – Microbrewery	Total
Legion			X		X				\$0.00
Cheers			X		X				\$0.00
Debz Corner			X		X				\$0.00
El Maguey			X		X				\$0.00
El Nopal			X		X				\$0.00
El Toluco		X			X				\$0.00
Joey B's			X		X				\$0.00
Lazy River			X		X				\$0.00
MAA	X								\$0.00
Manee Thai			X		X				\$0.00
Monsoon			X						\$0.00
Rozanna			X		X				\$0.00
Smokey Mo's			X		X				\$0.00
St. Joseph		X							\$0.00
Tuckers			X		X				\$0.00
Westchester			X		X				\$0.00
Price/License	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Monday – Saturday Sales - Sunday Sales -