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**Liquor Advisory Group Licensing Work Group**  
 Meeting Minutes  
 February 23, 2023

Seat	Representative	Attendance
State Licensing Authority	Executive Director Mark Ferrandino <i>Department of Revenue</i>	Absent
Local Vinous Manufacturer	Juliann Adams <i>Vines 79 Wine Barn</i>	Present
Downtown Partnership/Chamber of Commerce	Loren Furman <i>Colorado Chamber of Commerce</i>	Absent
Colorado Municipal League	Tara Olson <i>Town of Breckenridge Clerk's Office</i>	Present
Colorado Municipal Clerks Association	Colleen Norton <i>Littleton Municipal Clerk's Office</i>	Present
Restaurant Licensee	Sarah Morgan <i>Martinis Bistro</i>	Present
Tavern/Large Dance Entertainment Venue	Don Strasburg <i>AEG Presents</i>	Attended by Proxy Jake Hiersteiner <i>AEG Presents</i>
Colorado Association of Chiefs of Police	Chief George Dingfelder <i>Monte Vista Police Department</i>	Absent
Restaurant Licensee	Andrew Palmquist <i>Number Thirty Eight</i>	Absent
National Wholesaler	Andrew Quarm <i>Republic National Distributing</i>	Present
Arts Licensee	Andryn Arithson <i>Newman Center for the Performing Arts</i>	Present

- I. Welcome and Introductions
- II. Work Group Process and Expectations Overview
  - A. Regular meeting time:
    - 1. Fourth Thursday of the month from 1 to 3 p.m.
- III. Topic Review for Licensing Work Group

- A. At the last LAG meeting, a member made a suggestion that we could reduce licenses to five types: Off premises, on premises, manufacturer/importer, wholesaler/packager, and special events/festivals. What are thoughts on this?
  1. Are we looking at reducing the number of all license types or only retail license types versus state-only (i.e. manufacturer, wholesaler, etc.)
  2. Is five the right number, or should that number be broadened given that we have 30+ license types at the moment
    - a) Problems get created with similar license types with minor differences (i.e. Tavern v. Hotel & Restaurant v. Beer and Wine)
    - b) Additional problems with food component to all on-premises license types - is full meal requirement really necessary?
    - c) Consolidation down to five may result in a lot of privileges or benefits that specific license types have getting lost
    - d) Need to keep in mind local needs and desires, as every municipality is different. Having a greater number of license types allows for local variation that would be missing otherwise.
  3. Where would catering fit in? Could this be a temporary license included in on-premises license category? Going to a party to serve drinks is functionally similar to a restaurant licensee offering to-go drinks.
  4. For on-premises licensees, could we create a structure where once you become a licensee, you've proven to the state that you are a responsible alcohol vendor and gain access to different permit types like SEPs?

#### IV. Discussion

- A. On-Premises license types - Are there ways to reasonably consolidate current categories?
  1. Food requirements - Why are they different between H & R, Tavern, Beer and Wine, etc. with some requiring full meals vs. snacks and sandwiches.
    - a) Suggestions:
      - (1) Could we set a floor of snacks and sandwiches and allow businesses to choose to serve full meals if it makes sense as part of their business model?
        - (a) For some business models such as arts licensees, having a minimum food requirement would be difficult - do not have the capacity to support this and are not in the business of regularly serving food.
          - (i) Should these license types (Arts Licensee, Bed & Breakfast, etc.) retain special, more limited privileges?
      - (2) ABV - Differentiation via ABV. For example - if only serve drinks with ABV of 15% or less licensee only needs to serve snacks, if serving drinks with ABV above 15% need to have more substantial meals
        - (a) Concern raised about wineries serving fortified wines that would reach 18-19% ABV that would trigger

substantial meal requirement - most wineries not set up for that kind of food service

- (3) Limitations on pours - require drink tickets and limit pours/number of drinks per hour allowed if don't have food
- (4) Licensees provide licensing authority with how they will address patrons being able to access food as opposed to serving it themselves

2. Potential license categories within on-premises license category

a) Retail

- (1) A general on-premises retail license?
- (2) Consolidation of Taverns/Hotel & Restaurant/Pubs
  - (a) Could combine brew pub, vintner's restaurant, and distillery pub
    - (i) Concern raised on how LED would know what alcohol the combined "pub" license would be manufacturing
      - (a) Suggestion: Similar to SEP have them tell LED as part of license application
    - (ii) Additional concerns about different production limits that currently apply to each license type

b) Art & Entertainment

- (1) Group was unsure whether there was a significant difference between lodging and entertainment and/or hotel & restaurant, outside of Bed and Breakfast license type
- (2) Festivals and SEPs could be included under this category
  - (a) Concern that these should be separate from category because they are temporary in nature

c) Lodging

d) Permits - complementary parties that aren't really in the business like Bed and Breakfasts or Art Galleries?

- (1) Concern raised about Bed and Breakfast permits - should they really be allowed to provide unlimited days of 4 hour complementary drink service instead of applying for Hotel & Restaurant license?

V. Public Comment

- A. Andy Klosterman - Peak Beverage - Colorado's laws and regulations around events, the events industry, and catering are pretty far behind other states when it comes to our ability to innovate and our ability to impact public safety. When we started our business in Texas, we have an on premise license in Texas and an off premise license in Colorado. In Texas, we pull catering licenses for all the different events that we do online, its a simple mostly automated system. I think that is a huge opportunity area for Colorado.
- B. Trevor Vaughn - Manager of Licensing - City of Aurora - I agree with Andy that it is a challenge working with licensees who want to have events and trying to figure out how those fit into the current structure and how we do those. More portability is something

we'd be looking for with this. I did want to comment as far as the statistics of tavern licenses, that is important for us as far as how we deal with public safety and impacts to neighborhoods. The operation of a bar is different, when you're solely focused on selling alcohol, than a restaurant that serves full meals. Leaving that distinction or somehow working with that is something important to the locals. It also helps having that clear delineation when you deal with zoning.

1. In response to question from LAG regarding the impact of a tavern vs. a restaurant:

- a) We do have a separate zoning requirement that changes what types of approvals they need from the planning and zoning commission. Experience has shown that when the nature of the business changes, you do have a lot more of that party atmosphere and noise. When you're talking about proximity to residential, that intensity starts to increase and you may see more and more calls for police service. That is why taverns have a requirement in regards to considering overconcentration of tavern licenses where H & Rs do not have that requirement. H & Rs also do not have a spacing requirement from schools currently. It's a different business model and you'd be taking away an option for a business model if you required a tavern operator to serve full meals.

VI. Public Email Comments:

- A. Trevor Vaughn - Manager of Licensing - City of Aurora: If not too late, I have a provision of the code that I would like the committee to consider. Section 44-3-303(1)(d) requires that a wholesaler certify that they are paid in full before a retail license can be transferred. I believe that this provision may not be lawful and results in turning licensing officials into collection agents for the wholesalers and potentially being in the middle of a civil dispute over amounts due. I know there is some case law regarding prohibition on a licensing entity deferring to a private party.
- B. Trevor Vaughn - Manager of Licensing - City of Aurora: I have an additional comment regarding another item for consideration by the group. Can we make public hearings optional for new licenses if there are no objections to issuance of the license and if the local authority determines one will not be necessary.
- C. Jake Weien - 1350 Distilling: Hello and Thank you for your time and attention to alcohol licensing discussions. It is my request for the group to discuss the proposal to assist with easing with the reporting of our distilled spirit production. Currently we are required to report our production in "proof gallons" however in Colorado we are required to report our production in "proof liters". It is our request to make Colorado distillers report production amounts in "proof gallons" as we do for Federal reporting.