
SUBMITTED BY: William D. Osborne, AICP, City Planner

MANAGEMENT TEAM REVIEW: Xenia Gonzalez, Interim Neighborhood Services Director, Luis Pedroza, Deputy City Manager

FOCUS AREA: Promote Douglas

ORGANIZATIONAL IMPROVEMENTS: Coordination of Development Services, Economic Development, Finance, Police

SUBJECT: **RESOLUTION NO. 22-1499**, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **ESTABLISHING** the Creation of an **ENTERTAINMENT DISTRICT**, per Arizona Revised Statute §4-207(C)(4) geographically coterminous with the existing HISTORIC PRESERVATION (H-P) OVERLAY ZONING DISTRICT of the City of Douglas.

EXECUTIVE SUMMARY:

An Entertainment District designation would support the mix of uses envisioned in Downtown Douglas to adapt existing vacant building spaces by relaxing separation distance restrictions between existing schools and churches located close to or in Downtown to establishments that would manufacture, sell, and/or serve alcohol.

BACKGROUND:

At present, locating a liquor manufacturing, sales, and/or serving business requires a license, which generally cannot be obtained from the State for properties within three hundred (300) feet of an existing church or school, per ARS §4-207(A), unless a restaurant with greater than forty percent (40%) of its gross revenues in sales of food items wishes to serve alcohol for *on-premises consumption only* (ARS §4-205.02(H)). There are other specific exemptions for liquor licenses, including those that pre-exist nearby churches and schools, typically traceable through subsections of ARS §4-205.

Douglas faces challenges to a robust community vitality, especially noticeable during the evening hours in its downtown. However, steps can be taken to restore Downtown Douglas as a regional destination for the enjoyment of entertainment, arts, and culture, as it once was. Establishing an Entertainment District coterminous with the existing Historic Preservation (H-P) Overlay Zoning District boundaries would provide a sensible support for liquor licensing where the supportive entertainment, cultural, and artisanal crafting uses either exist or would once again be encouraged by pending amended zoning use regulations.

Per ARS §4-207(D)(2), "*Entertainment district*" means a specific contiguous area that is designated an entertainment district by a resolution adopted by the governing body of a city or town, that consists of no more than one square mile, that is no less than one-eighth of a mile in width and that contains a significant number of entertainment, artistic and cultural venues, including music halls, concert facilities, theaters, arenas, stadiums, museums, studios, galleries, restaurants, bars and other related facilities.

DISCUSSION & RECOMMENDATION:

While liquor licensing is not technically a planning and zoning matter, the intent of revitalizing Downtown Douglas has common purpose, supported by the General Plan Policy 3-1g of the Growth Areas and Population Element:

Promote the continued viability of historic neighborhoods, historically significant structures and sites, and the retention of residential uses within the Central Core Growth Area.

As being able to locate a craft brewery or craft distillery, other new drinking, dining, and retail establishments where existing building spaces in historic Downtown Douglas need such activation to aid in our community's social and economic revitalization, staff recommends the approval of the resolution. The resolution would in effect allow for relaxed requirements on establishments making, selling, and serving liquor regardless of percentages of food sales on- or off-premises.

FISCAL IMPACT:

N/A

Fiscal Year: 2021/2022

Amount Requested: \$

Budgeted: Y / N

Account (s):

“... I MOVE THAT THE MAYOR AND COUNCIL APPROVE RESOLUTION NO. 22-1499.”