

# Request for Board Action

**REFERRED TO BOARD:** December 14, 2020

**AGENDA ITEM NO:** 7

**ORIGINATING DEPARTMENT:** Administration

**SUBJECT:** Consideration of a Resolution authorizing the mayor to execute a liquor license escrow agreement for Rivalry Alehouse

**SUMMARY AND BACKGROUND OF SUBJECT MATTER:**

The Rivalry Alehouse was granted a Class “A” Liquor License through Ordinance No. 20-07-21, which allows the issuance of a license once all application materials and a certificate of occupancy have been obtained. Owner James Donahoe has requested an early copy of the liquor license in order to apply for a state liquor license and video gaming license in advance of the anticipated opening, and before the certificate of occupancy is issued. The proposed escrow agreement allows a copy of the license be provided to the owners before a certificate of occupancy for the sole purpose of obtaining a state liquor license and video gaming license.

**DOCUMENTS ATTACHED:**

1. Resolution
2. Liquor License Escrow Agreement

**RECOMMENDED MOTION:**

**Move** to approve a Resolution authorizing the mayor to execute a liquor license escrow agreement for Rivalry Alehouse

**RESOLUTION 2020 - \_\_\_\_\_**

**A RESOLUTION AUTHORIZING EXECUTION OF AN ESCROW AGREEMENT WITH THE RIVALRY ALE HOUSE**

**WHEREAS**, the owners of the commercial building located at 945 Main Street have made substantial progress toward the reconstruction of this building, and

**WHEREAS**, the owners of the business to be located therein wish to begin to prepare for opening of the establishment, and

**WHEREAS**, the owners of the business wish to be able to open at such time as that is possible consistent with the various orders relating to the COVID-19 pandemic, and in connection therewith, the owners consider it crucial to open with both their liquor license and video license in place so they can offer a full range of products and services to their clientele at the earliest possible time to generate interest and revenue as the state and nation emerge from the pandemic, and

**WHEREAS**, the owners have negotiated a tentative escrow arrangement with the Mayor and Village Attorney which is attached as Exhibit A hereto, and which is intended to allow the Mayor to issue a liquor license presently and allow the owners to use that for the sole and exclusive purpose of filing for their video gaming license pending completion of the work on the establishment, the granting of a final certificate of occupancy, the obtaining of a health license from the Lake County Department of Health and the lifting of at least some of the restrictions on restaurant and bar operations, and

**WHEREAS**, the Village Board has considered the Exhibit A draft agreement and the Board finds that allowing the issuance of a local liquor license for this limited purpose makes sense as a continuing investment in helping to restore and improve a key property in downtown Antioch, which will also provide a significant additional attraction to tourists and other visitors interested in sharing the increasingly lively venues available in this area, and

**WHEREAS**, the Village Board finds that the proposed agreement will benefit not only the subject business, but will open the door to drawing customers to adjoining properties upon lifting of the pandemic-related restrictions which are likely to benefit the entire area, and

**WHEREAS**, the Village Board finds that the owners have agreed to the terms of the Exhibit A draft agreement, including the revocation provisions therein and that in such event, there is no discernible downside to assisting this business in the fashion proposed,

**NOW THEREFORE, BE IT RESOLVED** by the Village of Antioch, Lake County, Illinois, as follows:

**SECTION ONE:** The Mayor and the Clerk are authorized to execute Exhibit A and to take all steps necessary or helpful in issuing the local liquor license to the Rivalry Ale House, and to overseeing their compliance with the terms thereof.

**SECTION TWO:** This resolution shall take effect immediately upon passage.

PASSED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF ANTIOCH, ILLINOIS,  
ON THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2020.

ATTEST:

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LAWRENCE M. HANSON, MAYOR

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LORI K. ROMINE, VILLAGE CLERK

## **LIQUOR LICENSE ESCROW AGREEMENT**

NOW COME the parties, the Mayor of the Village of Antioch, in his capacity as Local Liquor Commissioner, and the Rivalry Ale House, a liquor license applicant, and as and for their agreement, they state as follows:

WHEREAS, the Rivalry Ale House petitioned the Village Board of the Village of Antioch to create and issue a Class A liquor license to it, and by Ordinance No. 20-07-21, the Village Board approved this petition and authorized the Mayor and Clerk to issue the license, to become operational at such time as the licensee secured a certificate of occupancy for its restaurant being constructed via a complete renovation of an older building in downtown Antioch, and

WHEREAS, the renovation project is proceeding toward completion, currently projected for sometime in early 2021, and to the best of the Village's knowledge, it is being constructed in substantial compliance with applicable building codes and is almost certainly going to receive a certificate of occupancy upon completion, and

WHEREAS, the COVID-19 pandemic has resulted in economic hardships on the local economy, including particularly restaurants and bars, and the Village has previously extended incentives and initiatives toward existing establishments in efforts to assist them to survive this difficult period of time, and

WHEREAS, the Rivalry Ale House has not been open and may be delayed in opening due to the pandemic and as such is in a particularly vulnerable position because of the large investment in the reconstruction by its owners and the lack of revenue until it is fully operational, and

WHEREAS, it is the stated policy of the Village Board to support local businesses in every way reasonably possible under Illinois law, balanced with sound public policy, and

WHEREAS, one of the anticipated revenue streams for the Rivalry Ale House is video gaming, and the same requires a license to be issued by the Illinois Gaming Board, and the said Gaming Board has experienced serious slowdowns in processing license applications as a result of the partial shutdown of the state agency due to the pandemic, along with a crush of other license applications brought about by casino-enabling legislation in June of 2019, and

WHEREAS, a condition precedent to the processing of a video gaming license is the issuance of a state and local liquor license that allows "pouring" of alcohol, or table service of individual drinks, and

WHEREAS, the Ordinance aforesaid originally contemplated no significant delay in the processing of video gaming licenses as has been experienced and reported widely, and

WHEREAS, the Mayor, in his capacity of Local Liquor Commissioner wishes to assist local establishments consistent with the expressed support of the Village Board, and as such wishes to help the Rivalry Ale House secure a video gaming license which will be available immediately upon opening of the new restaurant, and

WHEREAS, the Rivalry Ale House recognizes that it would not normally be allowed to obtain any use of a reserved, created, issued but not delivered liquor license prior to securing the certificate of occupancy of its premises, but needs to use the same for the sole and limited purpose of securing its video gaming license on a timely basis,

NOW THEREFORE, the parties agree as follows:

1. The Mayor shall cause the Clerk to prepare the authorized local liquor license for the Rivalry Ale House immediately after execution of this escrow agreement.
2. The Clerk shall provide one copy of the license to the Rivalry Ale House for its use in securing the state liquor license for its establishment from the Illinois Liquor Control Commission.
3. The Clerk shall further provide one copy of the license to the Rivalry Ale House for its use in securing the video gaming license from the Illinois Gaming Board.
4. The Clerk shall retain the original local liquor license in her file, pending the directions of the Mayor to release the same to the Rivalry Ale House, conditioned strictly upon the licensee securing a certificate of occupancy for its building and conditioned further upon its securing an appropriate food license from the Lake County Health Department.
5. Any use of the copies of the license so created and issued is strictly prohibited; and any violation of any term, clause or provision of this Agreement shall result in summary revocation of the local liquor license created and issued for the Rivalry Ale House.

IN WITNESS WHEREOF, the parties have set their hands and seals this 22<sup>nd</sup> day of November, 2020:

LOCAL LIQUOR COMMISSIONER:

ATTEST:

\_\_\_\_\_  
Mayor Lawrence M. Hanson

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Clerk Lori K. Romine

RIVALRY ALE HOUSE:

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Manager James Donohoe