

**ORDINANCE OF THE  
CITY OF LONE TREE**

**Series of 2021**

**Ordinance No. 21-03**

**AN ORDINANCE AMENDING ARTICLE I OF CHAPTER 6 OF THE CITY OF LONE  
TREE MUNICIPAL CODE TO AUTHORIZE LICENSING OF COMMON  
CONSUMPTION AREAS OPERATED BY PROMOTIONAL ASSOCIATIONS IN  
DESIGNATED ENTERTAINMENT DISTRICTS**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LONE TREE,  
COLORADO:**

**ARTICLE 1 – AUTHORITY**

The City of Lone Tree (the “City”) is a home rule municipality operating under the Lone Tree Home Rule Charter (the “Charter”) adopted on May 5, 1998 and a Municipal Code (the “Code”), codified and adopted on December 7, 2004. Senate Bill No. 11-273, codified in C.R.S. §§ 44-3-103, 44-3-301, 44-3-901, 44-3-909, and 44-3-910, authorizes the expanded consumption of alcohol within common areas located within designated entertainment districts that are established by local jurisdictions. Under the Charter, the Code and state law, the City may create entertainment districts and authorize the licensing of common consumption areas to be operated by promotional associations.

**ARTICLE 2 –DECLARATIONS OF POLICY**

- A. The City Council desires to allow common consumptions areas within entertainment districts in the City for the purposes contemplated by Senate Bill No. 11-273.
- B. The City Council finds and determines that the establishment of application procedures, fees, and regulations concerning the operation of common consumption areas is in the best interest of the public health, safety, and welfare.

**ARTICLE 3 – SAFETY CLAUSE**

The City Council hereby finds, determines, and declares that this Ordinance is promulgated under the general police power of the City, that it is promulgated for the health, safety, and welfare of the public, and that this Ordinance is necessary for the preservation of health and safety and for the protection of public convenience and welfare.

**ARTICLE 4 – AMENDMENTS TO MUNICIPAL CODE**

**Article I of Chapter 6 of the Code is hereby amended to add the following new definitions to Section 6-1-10:**

*Common Consumption Area* means a pedestrian area located wholly within an Entertainment District and approved by the Authority that uses physical barriers to close the area to motor vehicle traffic and limit pedestrian access.

*Entertainment District* shall have the same meaning as in C.R.S. § 44-3-103, as amended, and shall comprise no more than 100 acres and contain at least 20,000 square feet of premises that, at the time of creation of the Entertainment District, is licensed as a tavern, hotel and restaurant, brew pub, distillery pub, vintner's restaurant, beer and wine licensee, manufacturer that operates a sales room pursuant to C.R.S. § 44-3-402(2) or (7), beer wholesaler that operates a sales room pursuant to C.R.S. § 44-3-407(1)(b)(I), limited winery, lodging and entertainment facility licensee, or optional premises.

*Promotional Association* means an association that is incorporated within Colorado, organizes and promotes entertainment activities within a Common Consumption Area, and is organized or authorized by two or more people who own or lease property within an Entertainment District.

**Article I of Chapter 6 of the Code is hereby amended to revise Section 6-1-210 to read in full as follows, with additions shown in all capital letters:**

**Sec. 6-1-210. - Delegation of powers; Manager.**

The Manager shall have the following powers to act on behalf of the authority for administrative responsibilities pursuant to this Article and State alcohol beverage laws not requiring a public hearing, including but not limited to:

- (1) Process and approve routine applications for renewal of liquor and beer licenses AND COMMON CONSUMPTION AREAS, RECERTIFICATION OF PROMOTIONAL ASSOCIATIONS, transfer of license ownership, change of license location and tastings permits;
- (2) Process all name changes on liquor licenses;
- (3) Approve modification of premises;
- (4) Issue temporary and special event licenses;
- (5) Refer any matter to the Compliance Division; and
- (6) Set, from time to time, local license fees, in accordance with the State alcohol beverage laws.

**Article I of Chapter 6 of the Code is further amended to add a new Division 6, titled *Common Consumption Areas*, to read in full as follows:**

**Division 6 – Common Consumption Areas**

**Sec. 6-1-510. – Purpose.**

The purpose of this Division 6 is for the City of Lone Tree to exercise its local option to allow Common Consumption Areas to be operated by certified Promotional Associations within designated Entertainment Districts. Within a Common Consumption Area, persons may purchase alcohol beverages from an attached licensed premises to be consumed within the Common Consumption Area.

**Sec. 6-1-520. – Creation of Entertainment Districts.**

City Council is authorized to establish one or more Entertainment Districts and to include or exclude properties from within any such Entertainment Districts by resolution. By establishing an Entertainment District, the City authorizes the licensing of designated Common Consumption Areas in which alcohol beverages may be sold and consumed subject to the requirements of this Article and the Colorado Liquor Code. A Promotional Association is required to operate the Common Consumption Area.

**Sec. 6-1-530. –Functions of the Authority and Applicable Standards – Common Consumption Areas.**

- (a) In accordance with the requirements of this Article, the Authority:
  - 1. May designate one (1) or more Common Consumptions Areas;
  - 2. May certify or decertify a Promotional Association;
  - 3. May authorize, de-authorize, or refuse to authorize or reauthorize a Licensee's attachment of a licensed premises to a Common Consumption Area;
  - 4. Shall conduct public hearings in connection with new Common Consumption Area licenses under this Division 6, by and through the New License Division;
  - 5. Shall conduct public hearings for suspension, revocation, and decertification in accordance with the procedures of Division 2 of this Article;
  - 6. May impose reasonable conditions of approval on the licensing of Common Consumption Areas, certification of Promotional Association, and the attachment of licensed premises to a Common Consumption Area; and
  - 7. May exercise all powers necessary to effectuate this Article and the purposes of state law relating to Common Consumption Areas.
- (b) The standards for Common Consumption Area licenses issued to a Promotional Association shall be in addition to all other standards applicable under this Article, the Municipal Code, and the Colorado Liquor Code.
- (c) Decisions on applications for Common Consumption Areas, Promotional Associations, and attachment to and detachment from a Common Consumption Area shall be made by the Authority within sixty (60) days of receipt of a complete application therefor. A decision to deny any such application by the Authority shall be in writing and shall be provided to the applicant within thirty (30) business days of the decision being rendered.

**Sec. 6-1-540. – Promotional Associations; Certification and Decertification.**

- (a) A Promotional Association may seek certification from the Authority to operate a Common Consumption Area within an Entertainment District. Applications for certification and recertification as a Promotional Association under the provisions of this Division shall be made to the City on forms prepared and furnished by the City Clerk. The forms shall include the following information:
  - 1. The name of the Promotional Association to which the Common Consumption Area license would be issued or has been issued;
  - 2. A copy of the articles of incorporation and bylaws of the Promotional Association;
  - 3. The name and address of any liquor licensed establishment that would be or is attached to and providing alcohol beverages for consumption within the Common Consumption Area;
  - 4. The name and address of each person to serve or serving on the Board of Directors for the Promotional Association;
  - 5. A statement of whether there has been any disciplinary action at any of the attached liquor licensed premises within the past five years of the date of the application; and
  - 6. Any other such information and documents as may reasonably be required by the Authority.
- (b) At a public meeting of the Authority, the Authority may certify a Promotional Association if the following criteria are met:
  - 1. The annual reporting requirements have been or will be met; and
  - 2. Evidence establishes that the common consumption area can be and will be operated without violating the Colorado Liquor Code, this Article or any other provision of the Municipal Code.
- (c) The Authority may decertify a Promotional Association in accordance with the Colorado Liquor Code §§ 44-3-301(11) and 44-3-601, as amended, if:
  - 1. The Promotional Association violates any provision of the Colorado Liquor Code, this Article or any condition of approval imposed by the Authority.
- (d) A Promotional Association shall comply with all operational requirements under C.R.S. § 44-3-301(11)(c) and 44-3-910 of the Colorado Liquor Code in addition to the following:
  - 1. The Promotional Association shall provide adequate security in terms of personnel, physical barriers, training, and similar means to ensure compliance with the Colorado Liquor Code and prevent a public safety risk to the neighborhood.
  - 2. The Promotional Association shall post signs at each entrance and exit of the Common Consumption Area notifying customers of the hours of operation and restrictions associated with the Common Consumption Area.
  - 3. All serving personnel must complete a liquor training program approved by the Manager prior to staffing the Common Consumption Area.

**Sec. 6-1-550. – Common Consumption Area Application; Hearing.**

- (a) Within an Entertainment District, the New License Division of the Authority may license Common Consumption Areas upon application by a Promotional Association in conformance with the requirements of this Division and the Colorado Liquor Code.

- (b) An application for a Common Consumption Area license shall be made to the City on forms prepared and furnished by the City Clerk. The forms shall include the following:
  - 1. Application form and applicable fees;
  - 2. Documentation of how the application addresses the reasonable requirements of the neighborhood or desires of the adult inhabitants;
  - 3. A description of the proposed days and hours of operation and, for Common Consumption Areas that will operate on an event basis only, all dates for any event occurring within that calendar year;
  - 4. A site plan for the Common Consumption Area indicating the attached Licensees and any businesses whose premises are included within the boundaries of the Common Consumption Area, with the size of the Common Consumption Area shown in acres or square feet and the boundaries of the proposed Common Consumption Area outlined in red;
  - 5. The name of the Entertainment District in which the Common Consumption Area would be located and a map indicating the location of the Common Consumption Area within the Entertainment District;
  - 6. Proof of possession and evidence of permission authorizing alcohol consumption from any non-liquor licensed premises located within the Common Consumption Area;
  - 7. A security and admission control plan;
  - 8. Lease, license, or other proof of right to possess applicable premises; and
  - 9. Proof of insurance of general liability and liquor liability naming the City of Lone Tree, its elected officials, officers, employees, agents, attorneys, and insurers as additional insureds in a minimum amount of one million dollars (\$1,000,000.00).
- (c) The New License Division of the Authority shall consider an application for establishment of a Common Consumption Area at a duly noticed public hearing and shall make a decision based on the following criteria of approval:
  - 1. There must be at least two (2) licensed establishments attached to a Common Consumption Area;
  - 2. Use of the Common Consumption Area is compatible with the reasonable requirements of the neighborhood and, if applicable, the desires of the adult inhabitants;
  - 3. Evidence that the Common Consumption Area is clearly delineated using physical barriers to prohibit motor vehicle traffic (except emergency vehicles) and to limit pedestrian access; and
  - 4. A finding that the Common Consumption Area and all licensed premises therein can be operated in compliance with this Article, all applicable provisions of the Lone Tree Municipal Code, and the Colorado Liquor Code.

**Sec. 6-1-560. – Attachment of Licensed Premises; Requirements and Deauthorization.**

- (a) Licensed taverns, lodging and entertainment facilities, hotel and restaurants, brew pubs, distillery pubs, vintner's restaurants, beer and wine licensees, manufacturer or beer wholesalers that operate a sales room, or limited wineries may request attachment to a licensed Common Consumption Area by submitting an application on forms prepared and furnished by the City Clerk with the following information:
  - 1. Written request and approval from the Promotional Association to allow the licensed premises to be attached to a Common Consumption Area; and

2. Confirmation that the licensed premises is located within the applicable Entertainment District and within or on the perimeter of the Common Consumption Area.
- (b) An attached licensed premises shall comply with all operational requirements under C.R.S. § 44-3-301(11)(c) and 44-3-910 of the Colorado Liquor Code and with the requirements of Section 6-1-540(c) above.
- (c) The Authority may reject or deauthorize a Licensee's attachment to a Common Consumption Area if the licensed premises is not within or on the perimeter of a Common Consumption Area, or if the Licensee:
  1. Fails to obtain consent from the Promotional Association to be attached to a Common Consumption Area;
  2. Fails to establish that the licensed premises and Common Consumption Area can be operated without violating this Article, all applicable provisions of the Municipal Code, and the Colorado Liquor Code;
  3. Creates a public safety risk to the neighborhood in terms of law enforcements call-outs, breaches in securing the perimeter of the Common Consumption Area, unauthorized liquor consumption outside of the Common Consumption Area, noise or nuisance complaints generated from activities within the Common Consumption Area, or other public safety risks; or
  4. Has violated the Colorado Liquor Code or has more than two (2) violations of this Municipal Code.

**Sec. 6-1-570. – Renewal and Recertification.**

- (a) All applications for renewal of a Common Consumption Area license shall be submitted to the Manager no later than ninety (90) days prior to the date on which the license expires. The Manager may approve the application for renewal of a Common Consumption Area license, or if good cause exists to not renew the license, the Manager shall set the application for public hearing with the Compliance Division of the Authority in compliance with Division 2 of this Article 6.
- (b) A Promotional Association shall apply for annual recertification by January 31 of each year on forms prepared by the City. Such application must be accompanied by an annual report in accordance with the requirements of C.R.S. § 44-3-301. The Manager may approve recertification of a Promotional Association if it is in compliance with Section 6-1-540 of this Division 6.

**Sec. 6-1-580. – Violations.**

Noncompliance with any provision of this Division, including conditions of approval imposed by the authority, or the Colorado Liquor Code shall be deemed a violation of this Municipal Code. Violations of this Division shall be cause for suspension or revocation of a Licensee's liquor license, the Common Consumption Area License, or decertification of the Promotional Association, as applicable and in accordance with the show cause hearing requirements set forth in Division 2 of this Article. Violations of any provision of this Division, may be subject to other enforcement provisions set forth in the Municipal Code and Colorado Liquor Code.

## **Sec. 6-1-590. – Fees.**

Application, renewal, and licensing fees shall be as set forth in the fee schedule adopted by resolution of the City Council from time to time.

## **ARTICLE 5 – SEVERABILITY**

If any part or provision of this Ordinance, or its application to any person or circumstance, is adjudged to be invalid or unenforceable, the invalidity or unenforceability of such part, provision, or application shall not affect any of the remaining parts, provisions or applications of this Ordinance which can be given effect without the invalid provision, part or application, and to this end the provisions and parts of this Ordinance are declared to be severable.

## **ARTICLE 6 – CAUSES OF ACTION RETAINED**

Nothing in this Ordinance hereby adopted shall be construed to affect any suit or proceeding pending in any court, or any rights acquired, or liability incurred, or any cause or causes of action acquired or existing, under any act or ordinance hereby repealed; nor shall any just or legal right or remedy of any character be lost, impaired or affected by this Ordinance.

## **ARTICLE 7 - CODIFICATION AMENDMENTS**

The codifier of the City's Municipal Code is hereby authorized to make such numerical and formatting changes as may be necessary to incorporate the provisions of this Ordinance within the Lone Tree Municipal Code.

## **ARTICLE 8 –EFFECTIVE DATE**

This Ordinance shall take effective thirty (30) days following publication after the first reading if no changes are made on second reading, or twenty (20) days following publication after the second reading if changes are made upon second reading, provided that implementation and enforcement of the provisions contained in this Ordinance shall take place on the first day of the month that is at least thirty (30) days after the date of its adoption.

**INTRODUCED, READ AND ORDERED PUBLISHED ON MARCH 2, 2021**

**PUBLISHED IN THE DOUGLAS COUNTY NEWS PRESS ON MARCH 11, 2021 (LEGAL NOTICE NO. 938876).**

**APPROVED AND ADOPTED ON SECOND READING ON MARCH 16, 2021, TO BECOME EFFECTIVE ON APRIL 10, 2021.**

**CITY OF LONE TREE:**

By: Jacqueline A. Millet  
Jacqueline A. Millet, Mayor



**ATTEST:**

Jay Robb  
Jay Robb, City Clerk