

ICVB Board of Directors Destination Development Committee Quarterly Meeting August 10, 2021

Committee Goal:
Create Destination-Defining Development

1

1

Agenda

1. Citizen Comments on Items Listed on the Agenda
2. R-AB Discussion and Recommendations
3. Update – Irving Group COVID Impact
4. Update – Irving Group Pipeline
5. Update - Irving Restaurants
6. Update – Irving Hotel Development
7. Approval of May 4, 2021 Minutes
8. Committee Chair’s Report
9. Next Meeting – November 9, 2021

2

2



R-AB Ordinance
Discussion & Recommendations

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"It's Complicated."

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What exactly is R-AB?

- Requires approval through the zoning process, unique to Irving
 - Restaurant with attendant accessory use of the sale of alcoholic beverages for on-premises consumption
 - Is MUCH more than a ratio for food:alcohol sales
 - Most restaurant operators/owners don't understand the Irving process up front and only realize after they've signed a lease what it will take AND that it is not predictable nor consistent.
 - Requires very detailed site and floor plans that can only be modified through the same process.
- Originally passed in 1981
 - Required food sales of at least 60% (60:40), reported on a quarterly basis
- Amended in 2013 to 50:50 citywide, except 30:70/F:B in Urban Business Overlay District (Water Street and Music Factory)
- A process that - at its easiest – takes about 3 months, and several thousand dollars.

5

5

What does it take to open a beer/wine/liquor store in Irving?

- State law requires liquor stores to be treated as any retail use.
 - Retail zoning in Irving
 - Liquor stores actually can be zoned in more places than restaurants in Irving.
 - If land is already zoned for retail uses, get a permit from the City of Irving.
 - If land is not already zoned for retail uses, go through the zoning process to get the land use changed, and then get a permit.
- Still has to be more than 300' from a school, church or public hospital.
- Texas Alcoholic Beverage Commission (TABC) is responsible for licensing and compliance.
- Growler refills at a retail store do not require R-AB zoning.
 - R-AB zoning is NOT required for this use because there is no on-premise consumption.

6

6

What is the R-AB Zoning Process?

- To open a restaurant with alcohol sales, or to add alcohol sales to an existing restaurant, or to expand or renovate your space if you have alcohol sales, you must FIRST:
 - Submit a zoning change application and its non-refundable minimum \$750 application fee (varies depending on restaurant site acreage)
 - Provide a detailed site plan of the entire property (\$)
 - Provide a detailed floor plan (\$)
 - Provide exterior elevations (\$)
 - Provide a professional survey (metes and bounds)/legal description (\$)
 - Provide menus for food and beverage offerings
 - Provide a description of the restaurant and its activities/offerings, and an estimation of your food:beverage ratio
- A “ghost kitchen” with alcohol sales is not required to have R-AB zoning because nothing is consumed on property.

7

7

What is the R-AB Zoning Process?, continued

- After those INITIAL submittals:
 - City staff site plan review to determine if any revisions will be required
 - City staff conducts an assessment to assure not less than 300’ from a school, church or public hospital
 - Applicant provides necessary revisions until plan can be approved
 - Applicant then gets a zoning sign from the City, and puts the sign in front of property
 - City places the required by state law advertising and sends out public notices to all required to.
 - By state law, the ad must be published at least 15 days prior to the City Council meeting where the case will be heard.
 - By state law, the public notice must go out 10 days prior to the Planning & Zoning hearing.
 - Two public hearings must be held
 - 1 – Planning & Zoning
 - 2 – City Council
- Once/if Zoning is approved, then the applicant begins the TABC process, including city distance verification.
- Once Zoning is approved and TABC has verified distance, then permits can be issued.

8

8

Irving R-AB Reporting Requirements

- Once a restaurant zoned for the sale of alcoholic beverages is operating, the City Secretary's Office sends out an official notice and copies of the form required for semi-annual reporting of gross food and beverage sales.
- Semi-annually, City Finance department sends out reminders that reports are due.
 - These reports are shared with the Council semi-annually via the Read File.
 - If any restaurant is out of compliance, the City typically asks that the restaurateur submit a "viable business plan" for becoming compliant by the next reporting date. This plan is reviewed by the City Finance department.
 - If by the end of the next reporting period, the restaurant remains out of compliance, the staff is REQUIRED to place an item on the Council's agenda recommending revocation of the Certificate of Occupancy. A companion item is also carried on a Planning & Zoning Commission agenda prior to the Council meeting.
 - The purpose is to ensure they don't re-open in the same location with a new CO.
- The Council may provide additional time to gain compliance or revoke the CO or amend the ordinance.

9

9

Irving R-AB Reporting Requirements, continued

- The required ratios citywide in Irving currently are 50-50
EXCEPT:
 - Special Regulation Area – gross sales of alcohol may be 70% or less
 - Public Entertainment Facility (PEF)*:
 - Located in the urban business overlay district
 - Comprise a single, undivided tract of at least 15 acres
 - Contain a PEF as defined by TABC
 - Zoned for R-AB
 - May report its receipts in aggregate
 - The distance requirements don't apply when the property is subject to an "urban business overlay district," a "transit mall overlay district," or property zoned "transit-oriented development district."

**PEF: "means an arena, stadium, ...track, amphitheater, auditorium, theater, civic center, convention center or similar facility that is primarily designed and used for live artistic, theatrical, cultural, educational, charitable, musical, sporting...or entertainment events...also includes a facility that is part of an approved venue project..."*

10

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Irving R-AB Restrictions

- If a non-R-AB/non-restaurant tenant comes into a previously R-AB zoned space, can't operate until there is a zoning change...which requires the entire zoning process to start all over...
- If a non-R-AB restaurant and doesn't change its zoning, the restaurant STILL has to submit the semi-monthly food:alcohol sales reports even if the alcohol sales amount is \$0.
- If hotels with R-AB have a floor plan change, they have to re-submit an Administrative Amendment to their zoning – 2-4 week process.
- If outdoor seating was not part of any original plan/footprint, EVERYTHING STARTS OVER.
- When the serving footprint changes, EVERYTHING STARTS OVER.
- When capacity increases, EVERYTHING STARTS OVER.

11

11

What role does TABC play?

- Regulates all phases of the alcoholic beverage industry in Texas, including sales, taxation, importation, manufacturing, transporting and advertising
- Licensing for the actual sales of alcohol
 - Major changes coming as of Sept 1 with new state laws and no new licenses are currently being issued
 - Currently 75 license types, including:
 - Brewpub license
 - Caterer's permit
 - Food and beverage certificate
 - Minibar permit
 - Mixed beverage permit
 - Private club permits
 - Retailer/reseller permits
 - Temporary permits
 - Going down to 37 types as of Sept. 1
- Compliance reporting
- Seller-server certification

12

12

What do we want to accomplish by considering changes to the R-AB?

- Level playing field for restaurant owners/developers throughout the City
 - Mitigate the barriers to entry that we can to make it easier to get up and running and successful – and for Irving to be competitive and supportive with restaurant development
 - Provide certainty and consistency to applicants
- Allow flexibility for these businesses to be able to adapt as market changes require it
 - Just to add outdoor seating to respond to COVID required R-AB changes, therefore zoning process starting over, therefore lost time/opportunity
- Time=Money – we know this for mega projects like a corporate headquarters, how do we make sure it's applied for small businesses, too?
- Enhance and grow our restaurant community and its offerings to our visitors, residents and companies, especially in targeted redevelopment areas such as the Heritage District
- Continue to control land uses through Zoning tools, thus continuing to protect neighborhood and community integrity.

13

13

Options for discussion

OPTION 1: Change the current ratios/R-AB ordinance

- Levels the playing field from a ratio standpoint
- Still subject to onerous rezoning process and onerous reporting process
 - R-AB zoning process time-time consuming and confining
 - City still in “enforcement” role – and business plan review role
- Doesn't eliminate the issues (time, money, uncertainty) with the “process”
- 300' distance requirement still applies

OPTION 2: Eliminate the R-AB zoning category/process

- Continue to protect the community through zoning districts which provides the Council with the flexibility and oversight they need
 - Land uses/zoning (i.e., CC, CN, etc.) determine where these establishments can locate
 - Land use maps and zoning ordinance will need to be updated,
 - 300' distance requirement remains as it is a state requirement*
- Ratios determined by what TABC licensing determines them to be
- All enforcement is with TABC (other than code or inspections issues)

14

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Discussion & Recommendations

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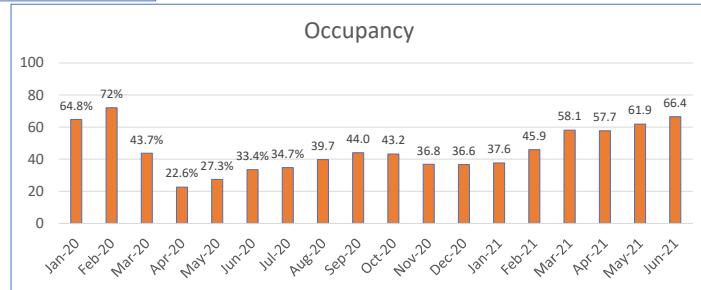
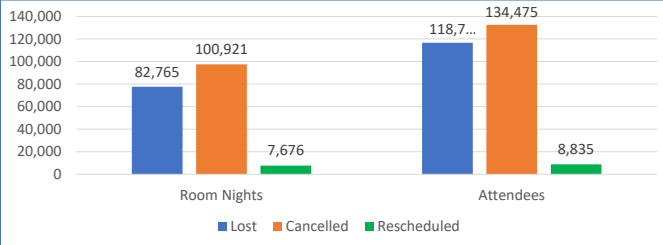
UPDATES:
Irving Group COVID Impact
Irving Group Pipeline

Lori Fojtasek, ICVB VP/Sales & Services
Matt Tungett, ICC Director of Sales

16

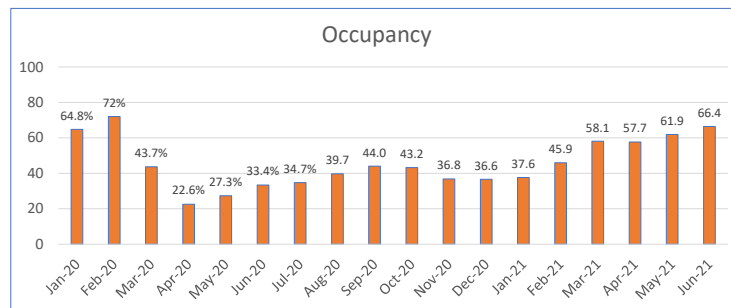
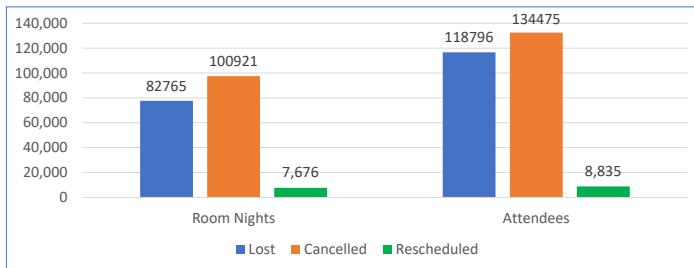
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Irving Hotel COVID Impacts



17

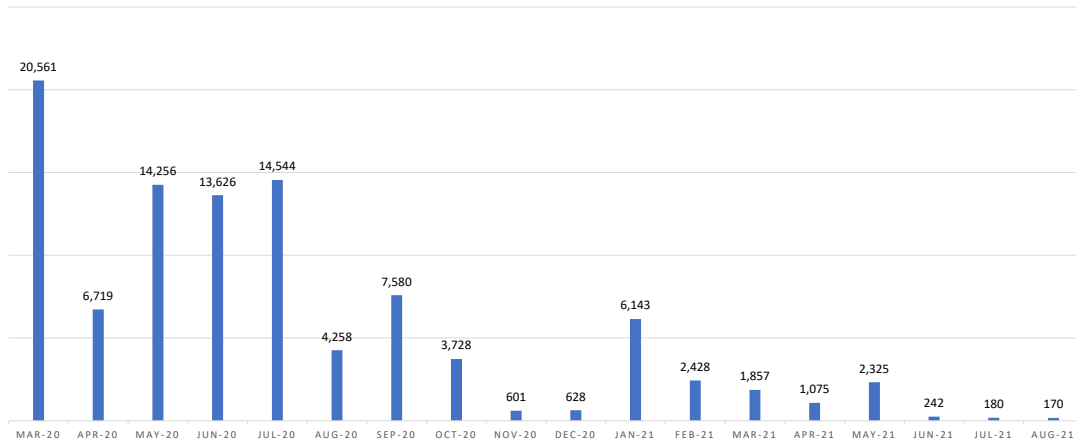
Irving Hotel COVID Impacts



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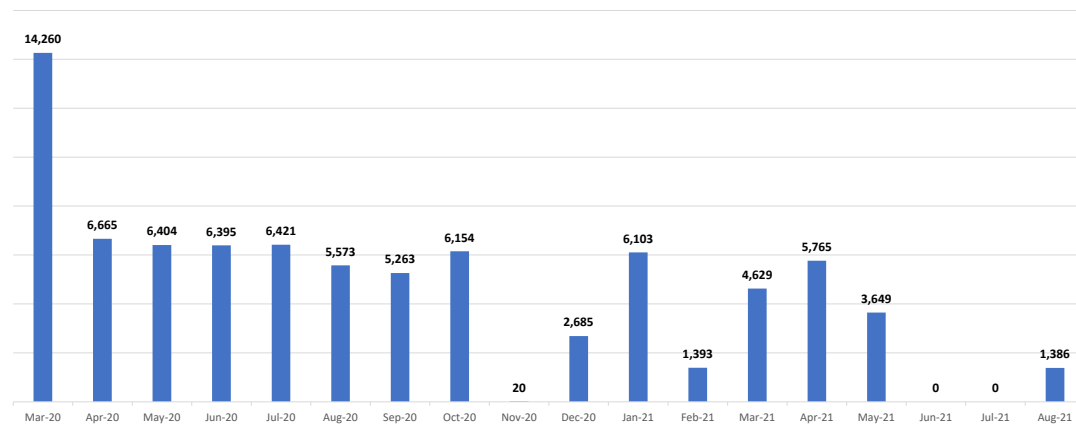
COVID ICVB Cancelled Room Nights by Month



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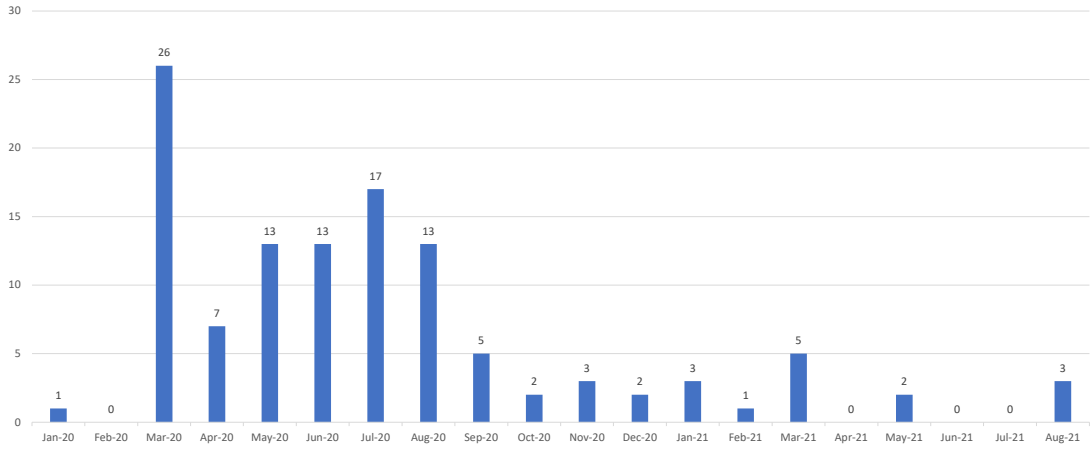
COVID ICVB Lost Room Nights by Month



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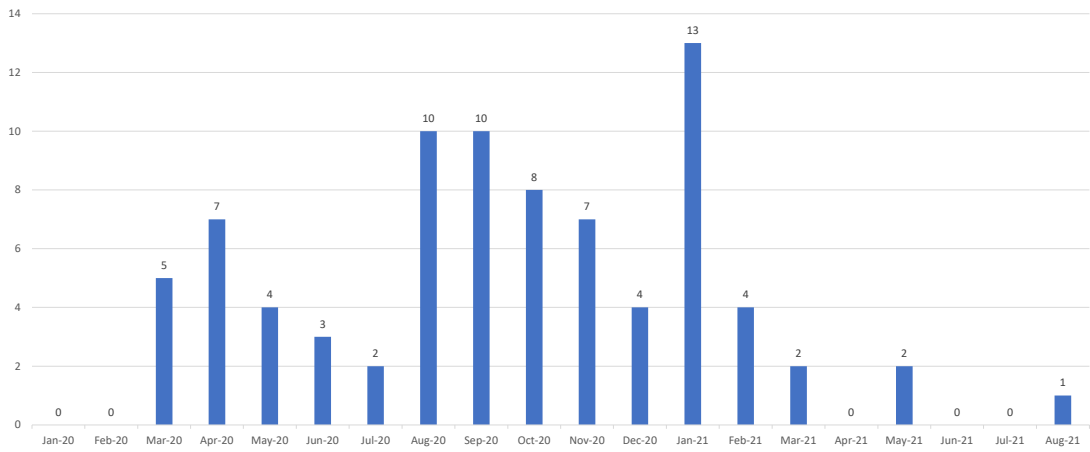
ICC COVID Cancellations by Month



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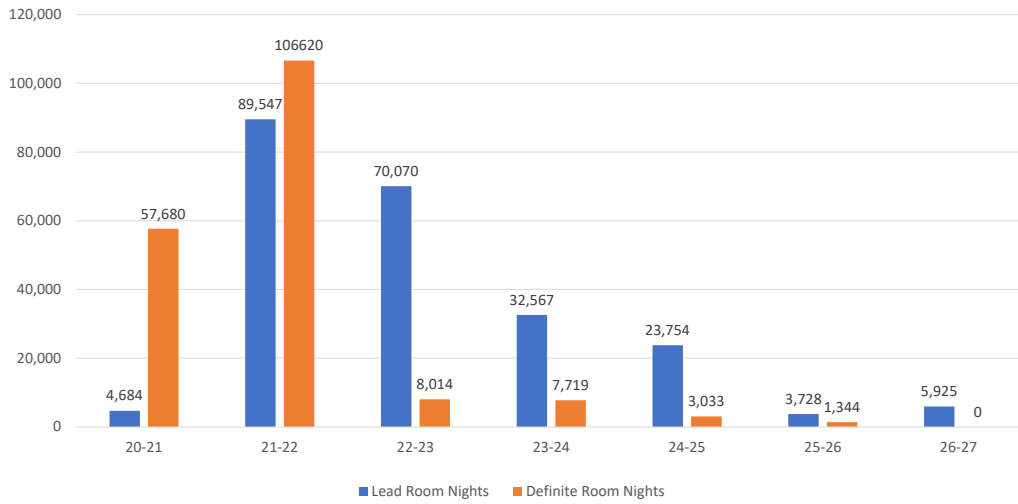
ICC COVID Lost Business by Month



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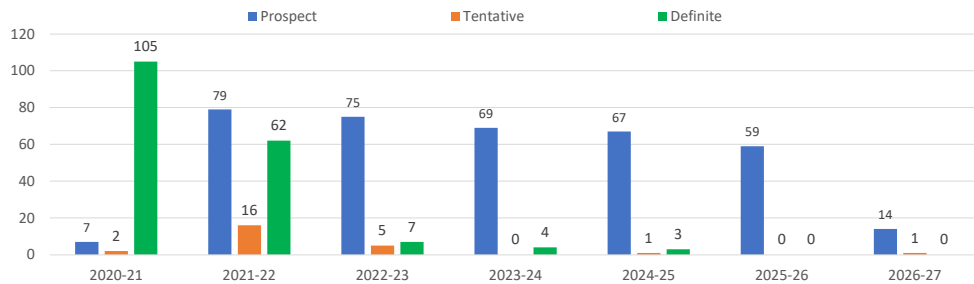
Keeping the Irving Pipeline Full – Room Night Leads



23


23

Keeping the Irving Pipeline Full – ICC Event Leads



24

24



UPDATE:
Irving Restaurants

[Irving CVB Blog – listing is updated as restaurants are noted as closed permanently or temporarily](#)

<https://www.irvingtexas.com/blog/post/eat-locally-while-distancing-socially-in-irving-texas/>

David Cole

25

25



UPDATE:
Irving Hotel Development

26

26

Hotel Name	Location	Projected Opening	#Rooms	Project Status
Element Hotel (Sfuzzi site)	525 Meadowcreek Dr (Sfuzzi site)	Aug-21	159	Construction
IHG-3 property combo	DFW North/Avion Business Park	TBD	320	Approved; IHG combination Staybridge, Avid & Even. https://www.connect.media/ihg-triple-brand-development-arriving-avion-business-park/
Hotel Indigo	Urban Center/455 E. Carpenter Frwy	TBD	293 combined	7/27/21 UPDATE: Groundbreaking August 10, 2021. Not sure of status with TxDOT issues. 6 stories of rooms; @3500 sf of meeting space. Shreem Capital.
Four Points by Sheraton	183/DFW South/555 Airport Freeway	TBD	125	Zoning approved but nothing else has happened. Rumor has it that the site is being shopped again. 8/26/20 - Planning dept has recd new plan for what would now be a Hampton Inn. No other details available yet
Home2Suites	DFW North			Construction
Aloft	635/DFW North	Oct-20	145	Construction
Hampton Inn & Suites	DFW North; 4500 Plaza Drive	TBD	130	Approved
AVID/Holiday Inn	DFW North/Plaza Drive @ O'Hare?	TBD	125-150	Rumored
Northland Properties - Sandman and Sutton Place	Blue Star Site 161 @ 114 (Meridian)	TBD	200+	Sandman zoning to Council 7/30/20 - 205 rooms, 715 sf meeting space; Moxie's Restaurant
TBD	Verizon/Hidden Ridge Campus	TBD	200+	Consultant retained to assess flag opportunities
Embassy Suites	771 W. Carpenter	2021	168	Zoning approved 12/13/18; construction has begun but is going VERY SLOWLY. Rumor has it that it is being shopped.
Holiday Inn Express	7800 Carpenter	TBD	TBD	Rumored
La Quinta	635 @ Beltline	TBD	TBD	Deferred; site being shopped
Tru by Hilton	DFW Airport South/2100 Valley View	2020-2021	125	Approved by City Council 10/24/19. Lowen Hospitality developer. Construction to start Q4 2020.
Conrad Hilton	Urban Center			Rumored; preliminary meetings with various parties; may be the same as Boutique/Full Service TBD below (Skypass)
Radisson Hotel	DFW Airport North; 114 @ Esters; 8230 Esters	TBD	180	Approved
Avid/Staybridge-Combo	183 @ 161/2350 Valley View Lane	TBD	176 total	P&Z case postponed—Oncor & TxDOT issues; fire access issues; Apollo Hospitality/Mitesh Patel; Rochelle Valley Property Dev/Dawood Jameel; nearby hotels opposed.
Hilton - TEMPO	311 W. Carpenter Freeway	Mid 2022	138	82' tall; 2500 sf mtg space. P&Z Nov 18. Dec 12 City Council; CGH Colinas LLC – owner.
Boutique/Full Service - TBD	520 E. Carpenter Freeway	TBD	TBD	Skypass Travel owners are the developer; may be the same as Conrad Hilton above. www.mandalayfalls.com
Staybridge Suites	2350 Valley View Lane		125	11/12/20 City Council meeting; previously was the above-noted Avid/Staybridge combo, now just a Staybridge. Standards meet proposed revised. (125 rooms, no restaurant, min meeting space)
Atwell Suites (IHG)	7501 Esters Blvd		123	Owner: Gopal Laxmi, LLC; to P&Z Feb 6 2021

27

Agenda, continued

7. Approval of May 4, 2021 Minutes
8. Committee Chair's Report
9. Next Meeting – November 9, 2021
 - Future Meeting Topics?

28

28