



**TITLE:** Consider/Discuss/Act on a Specific Use Permit for a Private Club (Dawgs N Hawgs), Approximately 0.11 Acres, Located on the South Side of Louisiana Street and Approximately 100 Feet West of McDonald Street

**MEETING DATE:** October 16, 2012

**DEPARTMENT:** Financial Services  
City Secretary

**CONTACT:** Rodney Rhoades, CFO  
Sandy Hart, TRMC, MMC

**RECOMMENDED CITY COUNCIL ACTION:**

- Council direction on continuation of Specific Use Permit (SUP).

**ITEM SUMMARY:**

- On May 1, 2012 the City Council approved an additional six month probationary period to allow the permittee to continue to operate under its SUP for a private club.
- On October 18, 2011, the City Council granted a six month probationary period to allow the permittee to continue to operate under its SUP for a private club and to bring their food percentage into compliance with the City's Code of Ordinances.
- The City Manager appointed CFO Rodney Rhoades to monitor the sales and verify the permittee's reports with the State Comptroller.
- For the period of May to August 2012, alcohol sales average 64.21% and food sales average 35.79%.

<b>Dawgs N Hawgs: Oct 2011 – Aug 2012</b>		
	<u><b>% Food</b></u>	<u><b>% Alcohol</b></u>
October	11.56%	88.44%
November	10.34%	89.66%
December	22.79%	77.21%

January	16.15%	83.85%
February	29.32%	70.68%
March	25.33%	74.67%
April	37.34%	62.66%
May	32.90%	67.10%
June	37.57%	62.43%
July	38.29%	61.71%
August	34.20%	65.80%
<b>May - Aug</b>	<b>35.79%</b>	<b>64.21%</b>
<b>Total</b>	<b>30.72%</b>	<b>69.28%</b>

#### **BACKGROUND INFORMATION:**

- On June 1, 2010, City Council approved Ordinance No. 2010-06-015 providing for a SUP for a private club for Dawgs N Hawgs. In addition to obtaining the SUP, the applicant also obtained the necessary alcohol permits from the Texas Alcoholic Beverage Commission (TABC) and the City in order to sell alcohol on the premises.
- Ordinance 2010-06-015 provides that as a private club, the club shall be operated in accordance with Section 146-46 of the City's Code of Ordinances. Section 146-46(84)(d) provides that a private club special use permit holder is subject to the terms and conditions of Chapter 138, Article II. Therefore, as the holder of a SUP operating a private club, the club must comply with Section 138-22, which provides that "[n]ot less than 35 percent of the gross receipts of such establishment shall be derived from the sale of food consumed on the premises." Section 138-22 further provides that "[t]he holder of such permit shall provide audits at its expense".
- On October 18, 2011 the City Council granted a six month probationary period to allow the permittee to continue to operate and bring their food percentage into compliance. City Manager Gray appointed CFO Rhoades to monitor monthly alcohol and food sales during the probationary period.
- On March 30, 2012, the City received the club's 2011 financial report from its accountant stating that the club had food sales of \$18,921 and alcohol sales of \$129,727. This represents less than 12.7 percent of their 2011 total sales from food.
- A Specific Use Permit for a private club allows a larger percentage (65%) of the

total gross sales receipts from the sale of alcohol than a typical Mixed Beverage Permit (which allows 50%).

**FINANCIAL SUMMARY:** N/A

**BOARD OR COMMISSION RECOMMENDATION:** N/A