

Planning Commission’s Planning Committee
Staff Report
May 27, 2026



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| Case No: | 26-LDC-0003 |
| Project Name: | Text Amendment to the Land Development Code related to Package Liquor Stores |
| Applicant: | Louisville Metro |
| Jurisdiction: | Louisville Metro |
| Council District: | All Council Districts |
| Case Manager: | Joseph Haberman, AICP, Planning & Design Manager |

REQUEST

A Text Amendment to the Louisville Metro Land Development Code (LDC) related to Package Liquor Stores.

SUMMARY

The Louisville Metro Planning Commission passed a resolution in late 2025 requesting that staff review the Land Development Code (LDC) and develop recommended changes related to package liquor stores.

Package liquor stores, with no-site alcohol consumption, are currently permitted by right in C-1, C-2, C-3, C-M, EZ-1, and PEC. The use may also be permitted in some areas of PVD (Village Center only) and TNZD (Neighborhood Center and Neighborhood Center Transition: Edge Transition only). Stores may also be permitted with a conditional use permit in the TNZD’s Neighborhood Transition-Center area. On-site alcohol consumption may be permitted at a package liquor store if the zoning district also permits a tavern and with the proper ABC licensing.

A summary of the amendments:

- Define “Package Liquor Store” following an established definition in KRS 243.240.
- Continue to allow a package liquor store in any zoning district in which they are currently permitted, but with the addition of special standards.
- Only allow a package liquor store that cannot meet a special standard with a conditional use permit.

The full text of this amendment is included as Attachment 1 at the end of this report.

TECHNICAL REVIEW

LDC Overview:

Package Liquor Stores with no on-site alcohol consumption are currently permitted by right in the C1, C2, C3 districts. The use is also allowed in Package liquor stores, with no-site alcohol

consumption, are currently permitted by right in C-1, C-2, C-3, C-M, EZ-1, and PEC. The use may also be permitted in PVD (Village Center only) and TNZD (Neighborhood Center and Neighborhood Center Transition: Edge Transition only). Stores are also permitted with a conditional use permit in the TNZD's Neighborhood Transition-Center area.

While not explicitly stated, on-site consumption has been permitted at locations with a zoning classification that allows for another use that permits on-site consumption, such as a tavern. In addition, the business must have a proper ABC license that allows for such consumption.

Kentucky Revised Statutes (KRS) Overview:

Chapters 24, 243, and 244 of KRS contain the alcoholic beverage control laws for Kentucky. In general, to open a package liquor store, the business (or licensee) needs a quota retail package license, which permits the retail sale of distilled spirits and wine in unbroken packages for off-premises consumption.

Louisville Metro Code of Ordinances (LMCO) Overview:

Chapter 113 of the LMCO contains the licensing provisions for alcoholic beverages for Metro. The Louisville Metro Government ABC Administrator administers these regulations.

Peer City/County Review:

Staff are in the process of reviewing the zoning codes of peer cities to determine if and how other local governments regulate package liquor stores with similar special standards. As of the date of this report, staff have only identified Indianapolis as having such regulations. Prior to the public hearing, staff will determine if similar practices are employed by other peer local governments.

Indianapolis defines and regulates a package liquor store as a Liquor Store, or a facility principally for the retail sale of alcoholic beverages for off-premises consumption. Such stores are permitted by right in most commercial and mixed use zones. Use specific standards include 100 feet from any protected district and 500 feet from any Indoor Recreation & Entertainment that caters to, or markets itself predominantly to, persons under 21-years of age. Conversely, new Indoor Recreation & Entertainment that caters to, or markets itself predominantly to, persons under 21-years of age must be at least 500 feet away from any liquor store.

STAFF ANALYSIS

The proposed requirements are modeled from those applied to smoking retail stores to better safeguard vulnerable populations such as children from businesses that primarily sell alcoholic beverages. The separation requirements limit such businesses from overconcentrating in an area and keep retailers at a suitable distance from other uses in which vulnerable populations may congregate.

Comprehensive Plan

The proposed amendment advances the following Goals, Objectives, and Policies of Plan 2040:

- **Community Form Goal 1:** Guide the form and design of development to respond to distinctive physical, historic and cultural qualities.

- **Community Form Goal 1, Objective c.:** Growth and development patterns are implemented to foster health and prosperity for all neighborhoods.
- **Community Form Goal 1, Policy 16:** Consider impacts on human health, quality of life and the environment including prevailing meteorological conditions and the potential to transport noxious odors, particulates and emissions when reviewing new developments and redevelopments. Special attention should be paid to air and water quality when residences, schools, parks or vulnerable populations will be impacted. Mitigate impacts to areas that are disproportionately affected.
- **Community Form Goal 2:** Encourage sustainable growth and density around mixed-use centers and corridors.
- **Community Form Goal 2, Policy 2:** Encourage development of non-residential and mixed uses in designated activity centers provided: 2.1. proposed uses, density and design are compatible with adjacent uses and meets Form District guidelines; or 2.2. when a proposed use requires a special location in or near a specific land use, transportation facility or when a use does not fit well into a compact center (e.g., car dealerships or lumberyards).
- **Livability Goal 2:** Ensure equitable health and safety outcomes for all.

NOTIFICATION

Notification of the Planning Commission public hearing was conducted in accordance with KRS 100 requirements. In addition, staff provided notice to those registered neighborhood groups and individuals on the list for electronic notification for development proposals in all Metro Council Districts (GovDelivery).

STAFF FINDING

The proposed amendments advance goals, objectives, and policies of Plan 2040, as well as its CHASE principles by allowing Package Liquor Stores in appropriate areas.

REQUIRED ACTIONS

RECOMMEND to the Louisville Metro Council and legislative bodies of cities with zoning authority that the proposed text amendments be **APPROVED, APPROVED WITH MODIFICATIONS, OR DENIED.**

ATTACHMENTS

1. Proposed Text Amendments
2. Proposed Findings for the Planning Commission

1. Proposed Text Amendment

The Planning Commission must make a recommendation to Metro Council and the legislative bodies of cities with zoning authority to approve, approve with modifications, or deny the LDC text amendments. The proposed changes are presented as specific amendments to the Louisville Metro version of the LDC. The cities with zoning authority in Louisville Metro have different versions. If any of the cities consider incorporating the amendments into its LDC, staff will assist the city in preparing specific amendments that reflect the nature of the changes recommended below.

Louisville Metro Land Development Code

Chapter 1, Part 2 Definitions

Package Liquor Store – A retail establishment with a retail package license that sells distilled spirits and wine in unbroken packages for consumption off the licensed premises (unless otherwise allowed under a different permitted use type and with proper licensing).

Restaurant - Commercial establishments, the main business of which is serving food, which may include the sale of alcoholic beverages. Provided, however, that a place wherein both food and alcoholic beverages are sold for consumption on premises and within which the total receipts from the sale of alcoholic beverages exceed the total receipts from the sale of food shall be a tavern.

Tavern - A commercial establishment wherein alcoholic beverages are sold for consumption on the premises; a bar, a saloon; provided, however, that a place wherein both food and alcoholic beverages are sold for consumption on premises and within which the total receipts from the sale of food exceed the total receipts from the sale of alcoholic beverages shall be a restaurant.

Chapter 2 Part 4 Commercial Zoning Districts

2.4.3 C-1 Commercial District

The following provisions shall apply in the C-1 Commercial District unless other-wise provided in these regulations:

A. Permitted Uses:

~~Package liquor stores (no on-site alcohol consumption allowed)~~

2.4.4 C-2 Commercial District

The following provisions shall apply in the C-2 Commercial District unless other-wise provided in these regulations:

A. Permitted Uses:

~~Package liquor stores (no on-site alcohol consumption allowed)~~

2.7.5 Traditional Neighborhood Zoning District – Old Louisville/Limerick

Table 2.7.5: Table 1 Old Louisville/Limerick TNZD Land Uses – General

| TNZD Land Use Category | Neighborhood General | Neighborhood Transition-Center | Neighborhood Center | Neighborhood Center Transition: Edge Transition | Neighborhood General Campus Edge Transition | LDC Section Providing Special or Conditional Use Standards |
|---|----------------------|--------------------------------|---------------------|---|---|--|
| **** | | | | | | |
| Commercial Uses | | | | | | |
| **** | | | | | | |
| Entertainment, outdoor | NP | P/CU | P | P | NP | 11.5A.1.B 4.2.TBD |
| Package liquor stores (no on-site alcohol consumption allowed) | NP | P/CU | PS | PS | NP | 11.5A.1.B 4.2.TBD and 4.3.TBD |
| Taverns, bars, saloons | NP | P/CU | P | P | NP | 11.5A.1.B 4.2.TBD |
| **** | | | | | | |
| Other Uses | | | | | | |
| Historic house museums | P/CU | P/CU | P/CU | P/CU | NP | 11.5A.1.B and 4.2.TBD |
| **** | | | | | | |

Table 2.7.5: Table 8 Old Louisville/Limerick TNZD - Uses Permitted as Conditional Uses in the Neighborhood Transition–Center

| Land Use Category | Description of Uses Permitted as Conditional Uses |
|--|---|
| **** | |
| Commercial Uses | |
| Entertainment, Activity— Outdoor | Entertainment activity—outdoor Outdoor Entertainment as permitted by Section 11.5A.1.B 4.2.TBD of the <u>this</u> Land Development Code. In addition, review shall include at a minimum: an analysis of nearby residential uses and potential impacts, screening and buffering needed to protect adjacent residential uses, and limited hours of operation. |
| Package liquor stores (no on-site alcohol consumption allowed) | Package liquor stores as permitted by Section 11.5A.1.B 4.2.TBD of the <u>this</u> Land Development Code. In addition, review shall include a minimum: an analysis of nearby residential uses and potential impacts, screening and buffering needed to protect adjacent residential uses, and limited hours of operation. |
| Tavern, bar saloon | Tavern, bar, saloon as permitted by Section 11.5A.1.B 4.2.TBD of the <u>this</u> Land Development Code. In addition, review shall include a minimum: an analysis of nearby residential uses and potential impacts, screening and buffering needed to protect adjacent residential uses, and limited hours of operation. |
| Other Uses | |
| **** | |
| Historic House Museums | Historic house museums as permitted by Section 11.5A.1.B 4.2.TBD of the <u>this</u> Land Development Code. In addition, review shall include a |

| | |
|------|--|
| | minimum: an analysis of nearby residential uses and potential impacts, screening and buffering needed to protect adjacent residential uses, and limited hours of operation. |
| **** | |

Table 2.7.5: Table 10 Old Louisville/Limerick TNZD - Uses Permitted with Special Standards in the Neighborhood Center

| Land Use Category | Description of Uses Permitted Uses |
|------------------------------|---|
| **** | |
| Transitional Housing | Transitional Housing as permitted by Section 4.3.14 of this Land Development Code. |
| <u>Commercial Uses</u> | |
| <u>Package liquor stores</u> | <u>Package liquor stores as permitted by Section 4.3.TBD of this Land Development Code.</u> |
| Other Uses | |
| **** | |

Table 2.7.5: Table 14 Old Louisville/Limerick TNZD - Uses Permitted With Special Standards in the Neighborhood Center Transition: Edge Transition

| Land Use Category | Description of Uses Permitted Uses |
|------------------------------|---|
| **** | |
| Transitional Housing | Transitional Housing as permitted by Section 4.3.14 of this Land Development Code. |
| <u>Commercial Uses</u> | |
| <u>Package liquor stores</u> | <u>Package liquor stores as permitted by Section 4.3.TBD of this Land Development Code.</u> |
| Other Uses | |
| **** | |

Chapter 4 Part 2 Conditional Uses

4.2.1 Intent and Applicability

Certain land uses due to their extent, nature of operation, limited application, or relationship to natural resources are considered as exceptional cases. The uses listed in this Part may be permitted in certain districts by Conditional Use Permit following a public hearing before the Board of Zoning Adjustment provided such uses will not have an adverse effect on neighboring property, are not in conflict with Goals, Objectives, and Policies of the Comprehensive Plan, the proposed uses are essential to or will promote the public health, safety, and the general welfare in one or more zones, and are in compliance with the listed standards and requirements.

The following uses are subject to the Conditional Use Permit process:

| Section | Conditional Use |
|---------|-----------------|
| **** | |

| | |
|----------------|--|
| <u>4.2.TBD</u> | <u>Package Liquor Stores</u> |
| <u>4.2.TBD</u> | <u>Outdoor Entertainment; Package Liquor Stores; Taverns, Bars, Saloons; and Historic House Museums in the Old Louisville/Limerick TNZD Neighborhood Transition-Center</u> |

4.2.TBD Package Liquor Stores

Any Package Liquor Store that does not meet the provisions of **Section 4.3.TBD** may be allowed in the C-1, C-2, C-3, C-M, EZ-1, PEC, PVD (Village Center), and TNZD (Neighborhood Center and Neighborhood Center Transition: Edge Transition) districts upon the granting of a conditional use permit and compliance with the listed requirements.

- A. Each special standard provided in Section 4.3.TBD shall be met unless relief is granted by the Board.
- B. As part of the application, the applicant shall provide written justification for each special standard in **Section 4.3.TBD** that cannot be met, demonstrating the reasons why relief should be granted and how such relief would not adversely impact any adjacent property.
- C. No Package Liquor Store shall be located within one thousand (1,000 feet) of the boundary of any parcel occupied by any of the following sensitive uses (as measured in a straight line from parcel boundary to parcel boundary): 1) Public or private early childhood, elementary, middle or high school; 2) Park; 3) Public Playground; 4) Public Community Center; 5) Child Care Center; 6) Public Library; and/or 7) Another Package Liquor Store.
 1. Reasons for Potential Relief:
 - a. Properties adjacent to the subject property are within nonresidential zoning districts.
 - b. There is a significant environmental feature or primary collector or higher classification road that separates the package liquor store from a sensitive use within the buffer area.
 - c. A sensitive use within the buffer area is located on the perimeter of the buffer area, with part of the property being located outside of the buffer area.
 2. The following exceptions to this separation requirement apply:
 - a. The separation requirement shall not apply between two or more package liquor stores on a single property being reviewed under the same conditional use permit application. However, if the property is subdivided after the conditional use permit is granted, a new conditional use permit shall be required in order for any new lot(s) to have a package retail store, with the separation requirements applying to that subsequent application.
- D. The business shall maintain the proper license required for the alcoholic beverage sales. Any required license shall be in good standing and if not the sales of products regulated by the license are prohibited. No relief shall be granted to this standard.

4.2.TBD Outdoor Entertainment; Package Liquor Stores; Taverns, Bars, Saloons; and Historic House Museums in the Old Louisville/Limerick TNZD Neighborhood Transition-Center

Any Outdoor Entertainment; Package Liquor Store; Tavern, Bar, Saloon; and Historic House Museum in the Old Louisville/Limerick TNZD Neighborhood Transition-Center upon the granting of a conditional use permit and compliance with the listed requirements.

- A. The review shall include an analysis of nearby residential uses and potential impacts, screening and buffering needed to protect adjacent residential uses, and limited hours of

operation. The Board may apply conditions to mitigate adverse impacts associated with this analysis.

- B. No Package Liquor Store shall be located within one thousand (1,000 feet) of the boundary of any parcel occupied by any of the following sensitive uses (as measured in a straight line from parcel boundary to parcel boundary): 1) Public or private early childhood, elementary, middle or high school; 2) Park; 3) Public Playground; 4) Public Community Center; 5) Child Care Center; 6) Public Library; and/or 7) Another Package Liquor Store.
1. Reasons for Potential Relief:
 - a. Properties adjacent to the subject property are within nonresidential zoning districts.
 - b. There is a significant environmental feature or primary collector or higher classification road that separates the package liquor store from a sensitive use within the buffer area.
 - c. A sensitive use within the buffer area is located on the perimeter of the buffer area, with part of the property being located outside of the buffer area.
 2. The following exceptions to this separation requirement apply:
 - a. The separation requirement shall not apply between two or more package liquor stores on a single property being reviewed under the same conditional use permit application. However, if the property is subdivided after the conditional use permit is granted, a new conditional use permit shall be required in order for any new lot(s) to have a package retail store, with the separation requirements applying to that subsequent application.
- C. The business shall maintain the proper license required for any alcoholic beverage sales. Any required license shall be in good standing and if not the sales of products regulated by the license are prohibited. No relief shall be granted to this standard.

Chapter 4 Part 3 Permitted Uses with Special Standards

4.3.1 Intent and Applicability

Certain uses are appropriate in certain districts only if special standards are applied. Waivers and variances for these special standards shall not be permitted because the uses listed below may only be permitted when these standards have been met. These uses listed in this Part are permitted in the districts indicated provided they conform to the standards and requirements listed in each section.

4.3.2 General Provisions

In addition to meeting the special standards listed under the particular use in this Section, all Permitted Uses with Special Standards shall be required to comply with the requirements of this Land Development Code, except to the extent that they conflict with an applicable special standard, in which case the special standard shall prevail. Proposed developments in accordance with this Part shall be processed using the Category 2 review procedure (Section 11.6.3). Applications shall include materials needed to demonstrate compliance with the special standards.

4.3.TBD Package Liquor Stores

Package Liquor Stores are permitted in C-1, C-2, C-3, C-M, EZ-1, PEC, PVD (Village Center only), and TNZD (Neighborhood Center and Neighborhood Center Transition: Edge Transition only) districts subject to the following special standards. A Package Liquor Store that does not meet the special standards set forth in this section may be eligible to be approved with a conditional use permit pursuant to **Section 4.2.TBD** of this Land Development Code.

A. No Package Liquor Store shall be located within one thousand (1,000 feet) of the boundary of any parcel occupied by any of the following uses (as measured in a straight line from parcel boundary to parcel boundary):

1. Public or private early childhood, elementary, middle or high school
2. Park
3. Public Playground
4. Public Community Center
5. Child Care Center
6. Public Library
7. Another Package Liquor Store

As this land use is permitted with special standards, an advanced approval by the Office of Planning is not formally required by this Land Development Code. The burden is on the property owner/business operator to determine compliance with these separation requirements prior to investment in the site and/or operation. The Planning Director, or their designee, may review for compliance with this separation requirement as part of a zoning confirmation, rezoning, or development plan review as well as during the review of any local license application. The Director or designee shall utilize the best available data to verify and confirm compliance.

In order to be nonconforming to this requirement, a Package Liquor Store must establish that it has been lawfully in operation on the effective date of the initial regulation for such use (TBD 2026) and continuously in operation to date. If one of the uses listed above is established thereafter, the Package Liquor Store shall become a nonconforming use at that time and subject to the provisions related to such nonconforming use, including but not limited to those restricting expansion and pertaining to abandonment.

B. There shall be no on-site alcohol consumption allowed unless the subject zoning district also permits a bar, saloon, or tavern and the space used for on-site consumption is appropriately permitted for such use/occupation. As an exception, limited on-site alcohol consumption may occur for sampling with the appropriate license.

C. The business shall maintain the proper license required for the alcoholic beverage sales. Any required license shall be in good standing and if not the sales of products regulated by the license are prohibited.

Chapter 4 Part 4 Accessory Uses and Miscellaneous Standards

4.4.13 Accessory Sales of Smoking Retail Store Products at a Business Not Classified as a Smoking Retail Store

Any use that meets the definition of Smoking Retail Store shall be regulated as such in Section 4.3.26 of this Land Development Code. If a use does not meet the definition of Smoking Retail Store, accessory sales of Smoking Retail Store Products may be permitted subject to the following standards:

B. The principal use shall be a use that involves the retail sale of merchandise that is dominant to that of Smoking Retail Products. It shall be a use in which it is customary to include the retail sale of Smoking Retail Products, such as a Convenience Grocery, Convenience Store, Drug Store, Grocery Store or Package Liquor Store.

4.4.14 Accessory Retail Sales of Alcoholic Beverages at a Business Not Classified as a Package Liquor Store

Any use that meets the definition of Package Liquor Store shall be regulated as such in Section 4.3.TBD of this Land Development Code. If a use does not meet the definition of Package Liquor Store, accessory sales of distilled spirits and wine in unbroken packages may be permitted subject to the following standards:

- A. The principal use shall be a use that is dominant to that of the retail sales of distilled spirits and wine in unbroken packages. It shall be a use in which it is customary to include the retail sale of distilled spirits and wine in unbroken packages, such as a winery or Distillery.
- B. The business shall maintain the proper license required for the alcoholic beverage sales. Any required license shall be in good standing and if not the sales of products regulated by the license are prohibited.

Chapter 9 Part 1 Motor Vehicle Parking Standards

Table 9.1.3B Minimum and Maximum Motor Vehicle Parking Based on Use

| GENERAL ACTIVITIES (1LBCS Code) | SPECIFIC ACTIVITIES (1LBCS Code) | MINIMUM REQUIREMENT | MAXIMUM REQUIREMENT |
|-------------------------------------|---|---|---------------------------------------|
| **** | | | |
| Shopping, business, or trade (2000) | | | |
| | Shopping (goods or service-oriented) (2100) | Suburban Form: 1 per 500 sq. ft. of gross floor area Traditional Form: 1 per 1,000 sq. ft. of gross floor area | 1 per 200 sq. ft. of gross floor area |
| **** | | | |

9.1.14 Queuing for Drive-Through Facilities

| Use | Minimum Spaces | Measured From |
|---|----------------|------------------|
| Bank Teller Lane, Laundromats/Dry Cleaners, Drug Store, Ice Cream Parlor, Package Liquor Store, and all other drive-through lanes not specifically listed | 3 per Lane | Teller or Window |
| **** | | |

2. Proposed Findings for the Planning Commission

WHEREAS, the Commission finds that the Louisville Metro Council passed **Resolution No. TBD, Series 2025**, requesting that staff review the Land Development Code (LDC) and develop recommended changes related to package liquor stores; and

WHEREAS, Louisville Metro's current comprehensive plan, known as Plan 2040, became effective on January 1, 2019; and

WHEREAS, Plan 2040 sets a framework for growth by using five guiding principles – Connected, Healthy, Authentic, Sustainable, and Equitable (CHASE) – to strategically manage all the benefits and challenges that come from adding more people; and

WHEREAS, Plan 2040 includes a Livability Element that provides guidance and direction for the provision and maintenance of the resources necessary for the health and well-being of citizens. This includes a focus on public health, promoting access to fresh food and health care, as well as designing places for health and safety; and

WHEREAS, Livability Goal 2 of Plan 2040 is to ensure equitable health and safety outcomes for all; and

WHEREAS, Community Form Goal 1, Policy 16 of Plan 2040 in part states: consider impacts on human health, quality of life and the environment including prevailing meteorological conditions and the potential to transport noxious odors, particulates and emissions when reviewing new developments and redevelopments. Special attention should be paid to air and water quality when residences, schools, parks or vulnerable populations will be impacted. Mitigate impacts to areas that are disproportionately affected; and

WHEREAS, Community Form Goal 2, Policy 2 of Plan 2040 states: Encourage development of non-residential and mixed uses in designated activity centers provided proposed uses, density and design are compatible with adjacent uses and meets Form District guidelines.