

26-LDC-0003

Package Liquor Stores

Planning Commission

July 16, 2026

Case Manager: Joseph Haberman, AICP



REQUESTS



- Amendment to the Land Development Code (LDC) regarding Package Liquor Stores



SUMMARY



- Council directed the Planning Commission and Office of Planning to review the LDC and return recommendations related to package liquor stores
- As stated in the resolution, Council:
 - often receives citizen complaints concerning, and observes criminal reports based on activities occurring in or near, package liquor stores;
 - examined the zoning of other commercial uses that involve the sale of products with known adverse health effects in recent years, namely Smoking Retail Stores;
 - found it appropriate to modify the regulation of such uses through various methods including prohibiting them in lower zoning classifications, making them permitted with special standards or by Conditional Use Permit, and creating distancing requirements from similar uses as well as schools, parks, religious buildings, and other sensitive uses;
 - observed that Package Liquor Stores are often concentrated, not just in certain Council districts, but on certain streets, blocks, and even intersections;
 - is concerned with such concentration and questions whether the use should be treated the same whether it is zoned low-intensity commercial, high-intensity commercial, or industrial; and
 - believes it important to investigate these issues as well as how peer cities and modern best planning practices handle Package Liquor Stores

CURRENT METRO ZONING REQUIREMENTS



- 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
 - By right in some areas of PVD (Village Center only) and TNZD (Neighborhood Center and Neighborhood Center Transition: Edge Transition only)
 - With a conditional use permit in the TNZD's Neighborhood Transition-Center area
- On-site alcohol consumption may be permitted at a store if the zoning also permits a tavern

CURRENT STATE REQUIREMENTS



- Chapters 241, 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



STAFF ANALYSIS



- Package Liquor Stores are currently permitted by right in commercial zones
- The issues to consider are whether to allow with or without standards and whether to allow by right or conditionally
- Standards, such as separation requirements, could limit such businesses from overconcentrating in an area and keep retailers at a suitable distance from other uses in which vulnerable populations may congregate



PEER CITY REVIEW



- Regulations are often established at the state and local levels, and specific rules widely vary
- Many cities have regulations specifically addressing package liquor stores
- While permitted location, separation, and other regulations significantly vary, there is some consistency in licensing; however the license process is typically regulated outside of the zoning ordinance

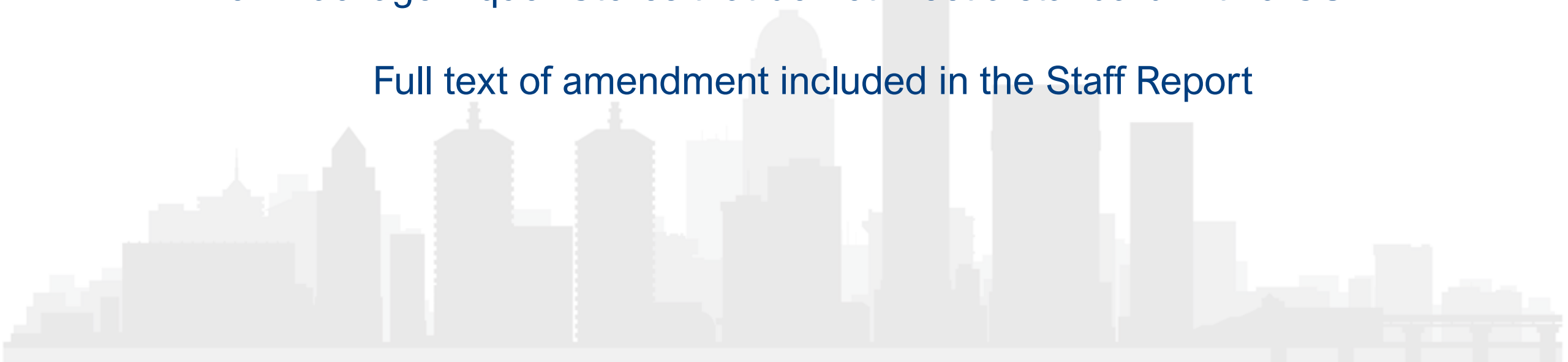




STAFF ANALYSIS – SUMMARY OF CHANGES

- Chapter 1:
 - Define Package Liquor Store
- Chapter 2
 - Update C-1, C-2, TNZD
- Chapter 4
 - Allow Package Liquor Stores with special standards
 - Allow Package Liquor Stores that do not meet a standard with a CUP

Full text of amendment included in the Staff Report





STAFF ANALYSIS – RECOMMENDATIONS

- Define “Package Liquor Store”
- Continue to allow a Package Liquor Store in a C-1, C-2, C-3, C-M, EZ-1, or PEC zoning district but with special standards, including a separation requirement from other sensitive uses to avoid overconcentration
- Allow a Package Liquor Store that does not meet a standard with a Conditional Use Permit
- Address accessory sales
- Update the affected TNZD section to resolve other technical issues

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 disproportionally 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.



STAFF FINDINGS



Define package liquor stores



Update the allowed zoning districts



Add new standards for package liquor stores



Provide a path forward for a proposed business that does not meet one of the new standards

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

