

## February 12, 2024 Alcohol Ordinance Review and Rewrite Committee

### Alcohol Ordinance Review and Rewrite Committee – February 12, 2024 AT 1:00 P.M.

#### Members Present:

Kevin Black, Jon Hanson (via Teams), Chairman Paul Pitner, Mayor Tom Ross, Brett Tinnes (via Teams)

#### Members Absent:

None

#### Also Present:

Mikayla McWilliams (City Clerk), Harold Stewart (City Manager), Stefanie Stalheim (City Attorney), Chief John Klug (Police Chief), Brian Billingsley (Community and Economic Development Director)

The meeting was called to order by Chairman Paul Pitner at 1:00 pm.

### APPROVAL OF MINUTES

Kevin Black moved the committee approve the minutes of the January 22, 2024 Alcohol Ordinance Review and Rewrite Committee meeting.

Motion seconded by Mayor Tom Ross and carried the following vote: ayes: Black, Hanson, Pitner, Ross, Tinnes; nays: none.

### OLD BUSINESS

1. Definition of Transfer – The committee preferred the Fargo definition of a transfer, but Grand Forks has a comparable definition. The committee also wanted to keep the 50% change of ownership in the definition. City staff will bring a draft to the next meeting.
2. Addition of delinquent taxes as a cause for denial in application/renewal process – The City of Grand Forks in the application process has a section stating:  
*(G) Applicants must not be delinquent in payment of property taxes, special assessments, parking assessments, nor in default to the City of Grand Forks in any manner. If the applicant is a partnership, limited partnership, limited liability limited partnership, limited liability partnership, company, limited liability company or any other similar entity, each partner and/or member must be current in such taxes, assessments, fees and all other matters to the City of Grand Forks.*  
There was discussion about also adding in the property tax portion but the committee was unsure how this would work for a business applying for a license if the applicant leases the space from someone else. The discussion moved more towards hotel issues with lodging tax and could this be added to the license or ordinance. City staff has had difficulty with lodging tax audits, compliance with audits, and payments. City staff will bring a draft similar to (G) and (H) of Grand Forks application process for discussion.
3. Definition of Licensed Premise – The committee agreed they preferred the definition to be similar to the one in the Grand Forks ordinances. City staff will bring a draft to the next meeting.
4. Theoretical Value of a Retail Liquor, Beer, and Wine License – If comparing the four sales from the bid process and X-Golf, the average value of the sale was approximately \$133,000.00. Chairman Paul Pitner questioned if the owners of the license view this as a depreciating asset and if there was recourse for the bank for defaulting if used as collateral. An Off-Sale License could open up more Retail Liquor, Beer, and Wine licenses but that process would be a transaction between a new licensee and the current license holder.

Kevin Black is pro-growth opportunities, but would like to see a fair value on all new licenses while still protecting the value of license. Kevin also mentioned possibly creating a grant program with the revenue of the sale of new Retail Liquor, Beer, and Wine Licenses for the grandfathered license holders for renovations, purchase of new equipment, etc. It was discussed if the City of Minot should be protecting an asset of a business owner. Another protection for a grandfathered license, would be the ability to still transfer the license, but a new license holder could not transfer. Kevin Black also stated another protection could be prior to the city selling a new license, staff would give the current grandfathered license holders

the first chance to sell. Homework for the committee would be to come to the next meeting with ideas of how to protect the value of the license if a cap were removed.

Chairman Pitner opened the floor to the business owners to speak to the committee who were in the audience. Jon Schmidt, owner of the Lamplighter Lounge, is not opposed to the open market system, but would like to see the average value. He also liked the idea of the grandfathered license holders still being able to transfer the license. Jon was concerned with the idea of opening up the license and the stress it could cause city resources such as police and fire, neighborhoods, and infrastructure. Tony Mueller, owner of Sports on Tap, discussed how many of the existing owners view their licenses as an exit plan.

Jon Hanson brought up the idea of surveying the city residents. Harold Stewart, City Manager, stated the city staff could do a survey using social media. Harold also stated if the cap was removed the impacts on neighborhoods can be set with zoning and planning codes.

5. Preamble – The committee would like to see the Grand Forks preamble added to the City of Minot Alcohol Ordinance chapter.
6. Other Licenses – City staff will start to draft more license options such as using the Brewery and Taproom License from state law.

The next meeting is scheduled for February 26, 2024 at 1:00 pm in the Council Chambers, City Hall. Discussion will include potential protections and theoretical value of Retail Liquor, Beer, and Wine license.

There being no further business, Mayor Tom Ross moved the committee meeting be adjourned. Motion seconded by Kevin Black and carried unanimously. Meeting adjourned at 2:44 pm.