



TO: Mayor Ross
Members of the City Council

FROM: Stefanie Stalheim, City Attorney

DATE: May 20, 2024

SUBJECT: CONTRACT COUNSEL – ALCOHOL ORDINANCES

I. RECOMMENDED ACTION

It is recommended City Council retain Ohnstad Twichell, P.C. as contract counsel to assist the City Attorney's Office with reviewing and advising the City Council on proposed modifications to the City's current liquor license ordinances.

II. DEPARTMENT CONTACT PERSONS

Stefanie Stalheim, City Attorney, 701-857-4190
Mikayla McWilliams, City Clerk, 701-857-4752
John Klug, Chief of Police, 701-857-9800

III. DESCRIPTION

A. Background

The City Council has established an ad hoc committee to conduct a comprehensive review and update of the City's alcohol ordinances. The committee has held discussion on amending the City's liquor license ordinances to remove the cap on liquor licenses set Minot City Ordinance Sec. 5-16(2)(d) and to remove the defeasible property right in the license provided by Sec. 5-31.

Before investing more time in this discussion, city staff would like the City Council to weigh in on whether they would consider modifying the liquor license ordinances to remove the cap and defeasible property interest, and if so, to approve the attached retainer agreement contracting with Ohnstad Twichell, P.C. to assist the City Attorney's Office with reviewing and advising on modifications to the City's existing liquor license ordinances.

B. Proposed Project

If the City Council is agreeable to modifying its existing liquor licenses, City staff anticipates the work involved to include diagnosing problems with the existing ordinance; reviewing goals and making recommendations for the new ordinance; developing a public outreach strategy; evaluating the present

licensing and permitting structure; drafting a proposed ordinance; integrating the ordinance and any new licenses and permits into user-friendly formats; and training staff on how to implement the new ordinance.

Researching these questions at the pace the committee wants to address them will take more time than the City Attorney's Office and other City staff have the capacity to provide, and staff is therefore recommending retaining outside counsel to assist with the heavy lift that a rewrite of this nature requires.

C. Recommendation Detail

If the Council would like to immediately retain outside counsel to begin a comprehensive rewrite, Ohnstad Twichell, P.C. has advised that they are available and willing to assist with this project. City staff has also reached out to Swanson & Warcup, Ltd., to see if they still have an interest in assisting with this project, and they are still considering the City's request.

Alternatively, the Council could direct City staff to draft and issue a Request for Proposals (RFP) from qualified firms with experience and expertise in facilitating alcohol ordinance rewrites to act as contract counsel for the City Attorney's Office on matters relating to amending its liquor license ordinances.

IV. IMPACT

A. Aspirations

Dynamic and Flourishing

Safe and Welcoming

B. Service/Delivery Impact:

Rewriting the City's alcohol ordinances will require local residents and business owners to acclimate to the new ordinances, the impact of which may vary.

C. Fiscal Impact

The City Attorney's Office has budgeted \$100,000 in account 10014000-43020 (Attorney's) for Fiscal Year (FY) 2024. As of the date of this memo, approximately \$24,931.69 has either already been paid or is encumbered – leaving approximately \$50,568.31 remaining. This funding could be applied towards this contract, or alternatively it could rolled back into the general fund at the end of the year.

Alternatively, this project could be included in a future budget if the Council did not want to commence this project in FY 2024.

VI. ALTERNATIVES

1. The City Council can affirmatively decline to modify its liquor license ordinances, and direct the committee to leave the current liquor license structure intact.
2. The City Council can direct the committee to move at the pace of city staff and the City Attorney's Office and their ability to research this topic as time allows.