

February 26, 2024 Alcohol Ordinance Review and Rewrite Committee

Alcohol Ordinance Review and Rewrite Committee – February 26, 2024 AT 1:00 P.M.

Members Present:

Kevin Black, Jon Hanson, Chairman Paul Pitner, Mayor Tom Ross, Brett Tinnes

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

Mayor Ross moved the committee approve the minutes of the February 12, 2024 Alcohol Ordinance Review and Rewrite Committee meeting.

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

OLD BUSINESS

1. Definition of Transfer – The committee decided to keep the definition in the working draft. This draft will eventually get finalized and brought to council for two readings. Kevin Black moved the committee approve the definition of transfer with the amendment to change “transfer” to “premise transfer”. Motion seconded by Jon Hanson and carried the following vote: ayes: Black, Hanson, Pitner, Ross, Tinnes; nays: none.
2. Addition of delinquent taxes as a cause for denial in application/renewal process – City staff will prepare a section in the ordinance to include delinquent lodging taxes into the application process and renewal process. The committee discussed the idea of possibly a new application for a license would be subject to possible denial if property taxes or special assessments are delinquent. The thought was this might penalize a business owner/license holder if they rent the space for their business. Currently the City of Minot Code of Ordinances does not have a current process for any delinquent tax.
Kevin Black motioned the committee to direct staff to draft language for the ordinance to include delinquent lodging taxes in any new applications and renewal applications of all alcohol licenses if the business is operating as a hotel/motel. Motion seconded by Jon Hanson and carried the following vote: ayes: Black, Hanson, Pitner, Ross, Tinnes; nays: none.
3. Definition of Licensed Premise – City staff prepared a more detailed definition of licensed premise to resemble the City of Grand Forks definition. This definition includes storage spaces as part of a licensed premise. Brian Billingsley will speak with the Inspections Department about occupancy rules and possible code violations if the premise includes storage spaces that either do not have a Certificate of Occupancy for the correct business type or if the area is not up to code.
4. Preamble – Mayor Ross moved the committee approve adding the preamble into the City of Minot Code of Ordinances with the following friendly amendment from Kevin Black:

The City of Minot finds that the safety and welfare of its citizens and neighborhoods are of highest priority and the judicious dispensing of alcohol is in keeping with this premise. The possession of an alcoholic beverage license in the city is a privilege, ~~not a right; a privilege and responsibility~~ that must not be taken for granted, but rather must be continually conditioned by the license holder's adherence to applicable laws and regulations.

Motion seconded by Kevin Black and carried the following vote: ayes: Black, Hanson, Pitner, Ross, Tinnies; nays: none.

5. Other Licenses – City staff provided a Brewer/Taproom license resembling the City of Grand Forks license type. The committee would like to see city staff provide an off-sale only license with a sampling clause for the next meeting.

DISCUSSION ON THEORETICAL VALUE AND POTENTIAL PROTECTIONS

The committee discussed the average value with Target being \$142,445 but if you exclude Target it would be \$134,000. The committee decided to start with \$125,000 as the theoretical value, but can discuss further. The right of first refusal was discussed as a potential protection. The current grandfathered licenses should have a one-time transferable license clause. Another protection mentioned was a possible grant program with the revenues made by any new licenses sold, but there would have to be discussion on how the money is distributed.

Kevin Black moved the committee direct staff to draft a removal of the capped Retail Liquor, Beer, and Wine license with the following:

- Current grandfathered license holders have the right for a one-time transfer/sale
- Set the initial payment for a new Retail Liquor, Beer, and Wine license at \$125, 000
- Include the first right of refusal protection, with the expectation of if there is more than one interested party in selling their license the City of Minot staff will relay the information of the potential sellers to the new licensee.

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

DISCUSSION ON CURRENT LICENSING FEES - TABLED

NEXT SCHEDULED MEETING

The next meeting is scheduled for March 11, 2024 at 1:00 pm in the Council Chambers, City Hall.

Kevin Black mentioned he would like to discuss Section 5-27 Premise Requirements in particular the fencing requirements. Brian Billingsley will work with staff to bring more information to the next meeting on this subject.

Jon Schmidt, owner of the Lamplighter Lounge, spoke to the committee about his concerns with the food sales vs alcohol sales checks the City of Minot does as part of the application process. He also discussed his concern of the theoretical value discussed in the meeting and the first right of refusal process/timeline. Jon would also like to hear more about the possible dividend or grant program structure to improve infrastructure for the grandfathered licenses.

There being no further business, Kevin Black moved the committee meeting be adjourned. Motion seconded by Mayor Ross and carried unanimously. Meeting adjourned at 2:41 pm.