

LIQUOR AND GAMBLING CONTROL COMMITTEE

March 1, 2017

Page 1

Members Present:

Shomento, Sipma, Withus

Members Absent:

Hedberg, Berg,

Others Present:

City Clerk, City Manager, City Attorney, HR Director, Airport Director, City Assessor, City Engineer, Traffic Engineer, Fire Chief, Police Chief, Public Works Director, Assistant Public Works Director, Public Information Officer, Auditorium/Recreation Director, Alderman Lehner, Alderman Schuler, Alderman Straight, Alderman Podrygula, Josh Wolsky, Jill Schramm

To the Honorable Mayor and All Aldermen:

Following are the minutes of the **Liquor and Gambling Control Committee** meeting called to order at 5:05 pm on March 1, 2017:

1. The City Council grant a gaming site authorization extension of premises for MSU Alumni Association at the Grand Hotel on April 5, 2017 for a special event.

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The above motion by Alderman Sipma, seconded by Alderman Shomento and carried by the following roll call vote: ayes: Shomento, Sipma, Withus. nays: none

2. Pursuant to the Code of Ordinances, it is recommended City Council ratify the following administratively approved requests:

- a. Grand Hotel for a special event permit on January 29, 2016 at State Farm – Kellie Thorman (500 20th Ave SW, Suite B)**
- b. Minot Aircraft Modelers to conduct a raffle on April 15, 2017 at Aeroport Hobby Shop (2112 North Broadway)**
- c. Minot Ducks Unlimited Chapter to conduct a raffle on March 3, 2017 at the Grand Hotel (1505 North Broadway)**
- d. ND Pottery Collector's Society to conduct a raffle on June 10, 2017 at the Grand Hotel (1505 North Broadway)**
- e. Perkett PTA to conduct a raffle on March 17, 2017 to June 30, 2017 at Perkett Elementary (2000 5th Ave SW)**
- f. Combat Veterans Motorcycle Association to conduct a raffle on February 21, 2017 to July 1, 2017 at Magic City Harley Davidson (515 20th Ave SE)**
- g. 10 North Main for a special event permit commencing on March 3, 2017 and to expire March 12, 2017 at Mouse River Players (115 1st St SE)**
- h. Nola's Lounge for a special event permit commencing on March 16, 2017 at The Arlene Theater (115 1st St SE)**

LIQUOR AND GAMBLING CONTROL COMMITTEE

March 1, 2017

Page 2

- i. **Grand Hotel for a special event permit commencing on February 24, 2017 at Taube Museum (2 Main St North)**
- j. **Longfellow School PA to conduct a raffle on April 21, 2017 at Longfellow School (600 16th St NW)**

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The above motion by Alderman Withus, seconded by Alderman Berg and carried by the following roll call vote: ayes: Berg, Hedberg, Shomento, Sipma, Withus. nays: none

3. The City Council adopt proposed changes to the City of Minot Code of Ordinances Section 5-8, (Licensees to Close at Certain Times), Article II (Licenses), Chapter 5 (Alcoholic Beverages)

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Alderman Sipma moved the City Council adopt the proposed changes to the City of Minot Code of Ordinances Section 5-8, (Licensees to Close at Certain Times), Article II (Licenses), Chapter 5 (Alcoholic Beverages), seconded by Alderman Shomento.

Alderman Withus explained, the revision makes one change to the current ordinance which would allow establishments to stay open until 1:00 am on Easter which would provide consistency with the rest of the year.

Whereupon a vote was taken on the above motion by Alderman Sipma, seconded by Alderman Shomento and carried by the following roll call vote: ayes: Shomento, Sipma, Withus. nays: none

4. The Committee direct the City Attorney to draft an ordinance for the next Liquor and Gambling Control Committee meeting, amending Chapter 5 (Alcoholic Beverages), Article II (Licenses), Section 5-16 (Classes of Licenses; License Fees; License Restrictions; Limitation on the Number of Licenses), Subsection (2) (Retail Liquor) and Subsection (3) (Retail Beer and Wine).

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The above motion by Alderman Sipma, seconded by Alderman Shomento.

Alderman Sipma listed the changes he would like to make to the ordinance. He suggested leaving the cap in place for retail liquor licenses, using the annual estimated census to determine the number of licenses available starting in 2020, maintaining the annual renewal fee at its current amount, requiring the parties transferring licenses to record the price of the license at the time of the transfer, changing the inactive time for a liquor license from 24 months to 12 months with a caveat that current licenses be grandfathered to 24 months, and removing the cap for retail beer and wine licenses.

He elaborated on the application fee by comparing it to the Fargo ordinance. He said, if the City were to apply an application fee, it would attach a value to the license which would create issues in the future should the City make any changes to the cap on licenses.

The City Attorney clarified, there is no state law that sets an application fee. She explained, the concern that was discussed was, if there is an application fee and a cap in place whether that would set an automatic

LIQUOR AND GAMBLING CONTROL COMMITTEE

March 1, 2017

Page 3

minimum value for a license in the event the City ever does remove the cap and if the City would have to set a value as a result of a takings claim or condemnation claim. She further explained, Fargo has an issuance fee of \$150,000 as well as a cap on the full liquor licenses. She spoke with their City Attorney who said the City has assigned a task force to look into removing the cap but they decided not to make that change at this point.

For the committee's information, she said she spoke with the attorney in Dickinson because they are currently looking at removing the cap and determining a value for the liquor licenses there. They have not yet made any formal changes that she was aware of.

Melissa Francisco, of 4901 10th Ave NW, came before the committee and stated, she disagreed with the suggested change allowing an inactive period of 12 months instead of 24 months. She owns a license and as a result of the discussions about the ordinance, has not been able to do anything with it. Alderman Sipma clarified, her license would be considered grandfathered and the new policy, should it pass, would affect any new transfers. Alderman Withus requested the City Attorney contact her regarding the specific dates on her license.

Ms. Francisco also had concerns over the request to record the prices of license transfers. She said she provided a letter to the committee requesting there be no changes made to the current ordinance.

Alderman Shomento asked why there was no longer an issuance fee suggested, because in his opinion, that could be valuable income for the City. As discussed previously, that would also ensure the person or company applying for the license accountable for establishing a business in order to make the most of their investment.

Alderman Sipma explained, the conversation was started because a closed market created a valuable commodity tied to the city. It has evolved to ask the question, is it the City's job to determine what a license is worth if the City doesn't do that for any other property?

Melissa Lovelace, of 11100 149th Ave SE, Sawyer, came forward to say that she and other license owners are in favor of this proposal.

Upon questioning by Alderman Shomento, the City Attorney explained the difference between an application fee and a bid. She said, if there are more interested parties than there are licenses, there would be a sealed bid process or an auction and the highest bidder would get the license and pay the City for that amount. If someone wanted to purchase an available license such as a supper club license and met the qualifications, they would file an application which would be approved by the Committee and Council.

Whereupon a vote was taken on the motion by Alderman Sipma, seconded by Alderman Shomento and carried by the following roll call vote: ayes: Shomento, Sipma, Withus. nays: none

There being no further business, the Liquor and Gambling Control Committee meeting was adjourned at 5:28 pm.

Respectfully Submitted,
Kelly Matalka, City Clerk