

March 11, 2024 Alcohol Ordinance Review and Rewrite Committee

Alcohol Ordinance Review and Rewrite Committee – March 11, 2024 AT 1:00 P.M.

Members Present:

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

Members Absent:

Jon Hanson

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 26, 2024 Alcohol Ordinance Review and Rewrite Committee meeting.

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

OLD BUSINESS

1. Addition of delinquent taxes as a cause for denial in application/renewal process – City staff prepared language to include in the application/renewal process in the ordinance:
(10) Applicants shall not be delinquent in payments of lodging taxes under Chapter 28½ of the Minot Municipal Code. Applicants shall provide documentation evidencing that all lodging taxes owed are current.
The verification process would include the Finance Department to verify payments and the Internal Auditor to verify the payment amount is correct. The current issue is getting the lodging tax documentation and payments up to date.
Kevin Black motioned to adopt the recommended language. Motion seconded by Brett Tinnes and carried the following vote: ayes: Black, Pitner, Ross, Tinnes; nays: none.
2. Definition of Licensed Premise – The committee discussed the language including the storage of alcohol. The Fire Department currently inspects the whole building annually and the Inspections Department only inspects the area being premised. Chief Klug liked the clarity of the licensed premise and storage being laid out in the application process. The application diagram page already asks for the applicant to include the storage area in the drawing.
Kevin Black motioned the recommended changes:
Licensed premises shall mean the premises on which beer, liquor, or alcoholic beverages are normally sold, stored, or dispensed and shall be delineated by diagram or blueprint which shall be included with the license application or the license renewal application.
Motion seconded by Mayor Ross and carried the following vote: ayes: Black, Pitner, Ross, Tinnes; nays: none.
3. Other Licenses – The committee discussed how First District covers the sanitary serving process, but the State Tax Commissioner does the brewery portion of the license and regulates the brewing

of the beer. The City of Minot does not have staff who would be licensed on this type of certification for verifying the sanitation of brewing the actual beverage. State Law has changed to allow for ages under 21 if a food truck is contracted to an event at a brewery. City of Minot Ordinances covers this change in the law in this section:

Sec. 5-6. Persons under twenty-one not to enter upon licensed premises; exceptions.

- (a) ***Except as otherwise provided in this chapter, or under state law, no person under the age of twenty-one (21) may enter any premises licensed for the sale of alcoholic beverages. An individual who violates this section is guilty of an infraction.***

Kevin Black motioned to strike the Brewery/Taproom License. Motion seconded by Mayor Ross and carried the following vote: ayes: Black, Pitner, Ross, Tinnes; nays: none.

A Distillery license might have a tourism factor, but the committee wants to revisit these license types if the Retail Liquor, Beer, and Wine license remains capped in the ordinances.

The Off-Sale license:

(20) Off-Sale alcoholic beverages license.

- a. The Minot City Council may issue an unlimited number of off-sale beverage licenses to permit the sale of alcoholic beverages off-sale.***

1. A license holder possessing such a license may, in addition to off-sales of liquor, wine, and beer, be permitted to provide their customers, free of charge, samples of alcoholic beverages as a promotion for the sale of the same so long as each sample does not exceed one (1) ounce in volume per customer.

The committee will discuss the fee at a later time and add it to the license type. The group also discussed the idea of delivery of a mixed beverage in City of Minot Ordinances Section 5-10. This process could be concerning when discussing the delivery process and the committee can revisit the topic at a later date.

Mayor Ross motioned the committee adopt the Off-Sale license. Motion seconded by Kevin Black and carried the following vote: ayes: Black, Pitner, Ross, Tinnes; nays: none.

4. Discussion of theoretical value of the Retail Liquor, Beer, and Wine license and potential protections – City staff still need time to research and prepare language for the ordinance to remove the cap of the license type.

Chairman Pitner proposed an idea for the committee to think about: For any new license issued a current owner could sell for set amount, then purchase a new license at a reduced price from the City. They could still operate their original business but the grandfathered license would be sold. The committee discussed how this might be capitalizing on something that is not really there and would allow for the exit plan payments to be early. Does this idea allow for new business, while moving away from the grandfathered license?

The committee also wanted to discuss if this value is maintainable. Should the \$125,000 license fee decrease over time until it hits the desired/maintainable fee? It was mentioned the barrier of entry is difficult, so a sunset might be a good idea on this license, where the fee would depreciate every 5 years. Brett Tinnes is looking to mirror the Grand Forks application fee/initial fee along with the annual fee type structure.

City Attorney, Stefanie Stalheim, will also look at getting outside counsel quotes for the recommendations of the committee.

DISCUSSION ON SECTION 5-27 OF CURRENT CITY OF MINOT ORDINANCES

Brian Billingsley, Community Development Director, reported on the fencing requirements:

Sidewalks – Engineering Department – Encroachment due to the public right of way and the fencing keeps people from blocking the flow of pedestrian traffic on the sidewalk.

Private Property – Inspections/Building – These ordinances are in place to people contained within the premise and off of neighboring properties. A 3-foot fenced is required for private property fencing. Examples include: Carpi, Army's 2.0, and Spicy Pie. This fencing is only required if alcohol is being served, it would not be required if it was just food.

Kevin Black offered ideas of fencing being less permanent, such as roping or planters that are moveable when the outdoor space is not being utilized. Harold Stewart, City Manager, mentioned how fences delineate the boundaries of the business and maintain the rules as the business extends into public space. Brian Billingsley will provide more clarity at the next meeting and will ask Engineering to attend the next meeting also

DISCUSSION ON CURRENT LICENSING FEES – TABLED

The committee would like to see this as the first topic for the next meeting.

Kevin Black left the meeting at 2:34 pm.

NEXT SCHEDULED MEETING

The next scheduled meeting is Monday, March 25, 2024, at 1:00 pm in the Council Chambers at City Hall. Chairman Pitner might be out for the next meeting, Mayor Ross will Chair if necessary.

Tony Mueller asked committee where to find the working draft document. Mikayla McWilliams, City Clerk, mentioned it would be placed on the agenda and on any upcoming agendas when there are changes.

There being no further business, Mayor Ross moved the committee meeting be adjourned. Motion seconded by Brett Tinnes and carried unanimously. Meeting adjourned at 2:43 pm.