

LIQUOR AND GAMBLING CONTROL COMMITTEE

January 4, 2017

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Members Present:

Hedberg, Berg, Shomento, Sipma, Withus

Members Absent:

None

Others Present:

City Clerk, City Manager, City Attorney, City Engineer, Planning Director, Building Official, Fire Chief, Police Chief, Captain White, Public Works Director, Assistant Public Works Director, Public Information Officer, Auditorium/Recreation Director, Alderman Jantzer, Alderman Lehner, Alderman Olson, Alderman Podrygula, Alderman Straight, 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 5:56 pm on January 4, 2017:

1. The City Council adopt the proposed changes to the City of Minot Code of Ordinances regarding closing times for licensed establishments.

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

2. The City Council adopt the proposed changes to the City of Minot Code of Ordinances regarding fencing height requirements.

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 the proposed changes to the City of Minot Code of Ordinances regarding the MAYSA license.

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

4. The City Council adopt the proposed changes to the City of Minot Code of Ordinances regarding supper club licenses

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

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

- a. Minot State University Athletics to conduct a raffle on December 31, 2016 at MSU Dome (500 University Ave West)
- b. Minot Employee Christmas Party Committee to conduct a raffle on December 9, 2016 at the VFW (1100 31st St SE)
- c. The Grand Hotel for a special event permit on December 17, 2016 at 500 University Ave
- d. The Grand Hotel for a special event permit on December 19, 2016 at 500 University Ave
- e. 10 North Main for a special event permit from January 13, 2017 through January 23, 2017 at Mouse River Players (115 1st St SE)
- f. Capri Bar for a special event permit on December 16, 2016 at Minot Air Museum (100 34th Ave NE)
- g. Bricks Studio Select Team to conduct a raffle on December 19, 2016 at MSU Dome (11th Ave NW)
- h. Lewis & Clark Elementary to conduct a raffle on January 27, 2017 at Lewis & Clark Elementary School (2215 8th At NW)
- i. MHS Dance Team to conduct a raffle on January 21, 2017 at Magic City Campus (1100 11th Ave SW)
- j. ND Blue Knights- Chapter Two to conduct a raffle on May 20, 2017 at Minot Harley Davidson Store (515 20th St SE)
- k. Bel Air PTA to conduct a raffle on April 21, 2017 at Bel Air Elementary School (501 25th St NW)
- l. Minot High Wrestling Boosters to conduct a raffle on December 22, 2016 at Magic City Campus (1100 11th Ave SW)
- m. Sports On Tap for a special event permit on December 31, 2016 for an event on the lower level of Sports On Tap (220 South Broadway)

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

6. The City Council adopt the proposed changes to the City of Minot Code of Ordinances regarding the definition of a supper club, specifically describing exceptions in the Renaissance Zone.

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

7. The City Council tabled the proposed changes to the City of Minot Code of Ordinances regarding the limitation on the number of retail liquor licenses.

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

Alderman Sipma explained, he would like to table the item in order to consider other ideas. He believes what was presented to the ad hoc committee eliminates small businesses from operating and he provided an alternative to consider. One of his suggestions included an application fee based on occupancy where each seat would cost \$1,000 with a maximum fee of \$120,000. He also included a plan for a one time transfer for current license holders to privately sell their license. He suggested mandatory server training conducted by the Police Department in order to familiarize employees with the laws.

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Melissa Francisco, of 4901 10th Ave NW, a new license owner, questioned what the driving force is behind the ordinance change. She said the major growth during the oil boom is gone and so is the high demand for liquor licenses. There are 28 licenses that can be purchased from the current owners at the market value. The licenses are an asset to the owners, are their livelihood and their retirement. For the City to diminish the value of their property would be unreasonable. The ordinance was created so the number of establishments could grow with the population and she believes it should stay that way. She gave statistics comparing the Minot population with Bismarck's and said, Minot has 15,000 less people over the age of 21 but has more retail liquor licenses.

Alderman Sipma responded by saying, there were issues discussed in the fall like fencing and public right of ways which opened the rest of the ordinance up for review. He said there is a perception of a closed market and because it is known there are no available licenses, it prohibits business.

Alderman Hedberg said, he felt like the supper club issue was rushed when it was discussed in 2015 and believes this gives another chance for consideration. He added, there was such a drastic change in population since the last census in 2010, and it is healthy to take a look at it.

Dave Humphreys, owner of Bootlegz, said he believes the City should be responsible for purchasing the licenses from the current holders and offer them the chance to buy a license at the rate suggested by this change. He said, their investment is being stripped and he would sell if he could. He also questioned if the Police Department could handle regulating more bars.

Upon questioning by Alderman Withus, The City Attorney explained, if more licenses were available under the current ordinance there would be a bid or auction process as long as there were more interested parties than there are available licenses.

Josh Wolsky said, he has been an advocate for reform throughout the process and wants an atmosphere that is open for business and for investment in Minot. He believes the current policies are too restrictive for different license types.

Shawna Downing, of 6801 27th Ave NW, reminded, the current owners did invest in Minot and they weren't handed a license, they had to work hard and earn money to put into their investment. Just because you want something doesn't mean it should be handed to you. They started as bars and bottle shops, not as supper clubs, they experienced highs and lows and are now about to lose everything. The fact this is a topic of discussion has devalued their asset.

Alderman Shomento suggested they have a meeting of the Bar Owners Association and create a proposal for the committee to discuss.

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

8. The City Council adopt the proposed changes to the City of Minot Code of Ordinances regarding outdoor dining areas and encroachment permits.

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

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The City Attorney described the changes she made to the Fargo ordinance, as requested by the Liquor Ordinance Ad Hoc Committee. She said she removed references to merchants and push carts since they were not part of the discussion. She added authorization for the Planning Director to issue permits for an outdoor dining area that extends no more than 42 inches beyond the property boundary and gave final authorization to City Council rather than a standing committee since those will be eliminated in June. She said, there are also some amendments that must be made in the Zoning Code before permits can be processed in the spring.

Upon questioning by Alderman Hedberg, the City Attorney stated, the fee can be set by resolution once the new City Council is seated.

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

9. The City Council request the City Attorney draft an ordinance regarding public consumption of alcoholic beverages, similar to West Fargo’s with the changes suggested by the Police Chief.

The above motion by Alderman Withus, seconded by Alderman Berg.

The Police Chief explained the issues the department has had with unlicensed, after hours establishments. He said there are clubs who have been using commercial space to serve alcohol under the scheme of requesting donations or door charges. He said the process to prosecute these establishments are extensive and require a lot of manpower. He also said, there are establishments giving away alcohol in order to draw in customers which has no regulation.

He requested the City Attorney draft an ordinance similar to one that Fargo uses, to prevent these situations and places responsibility on the owner if it does happen.

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

There being no further business, the Liquor and Gambling Control Committee meeting was adjourned at 6:49 pm.

Respectfully Submitted,
Kelly Matalka,
City Clerk