

LIQUOR AND GAMBLING CONTROL COMMITTEE

February 1, 2017

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Members Present:

Hedberg, Berg, Shomento, Sipma, Withus

Members Absent:

None

Others Present:

City Clerk, City Manager, City Attorney, HR Director, Airport Director, City Comptroller, City Engineer, Building Official, Fire Chief, Police Chief, Captain White, Public Works Director, Assistant Public Works Director, Public Information Officer, 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 5:54 pm on February 1, 2017:

1. The City Council approve the request from Back in Black, LLC dba Classic Rock Coffee Co. for a Specialty Restaurant Beer and Wine License effective February 7, 2017, subject to receipt of all documentation and approval by the Police Chief, Building Official and Fire Marshal.

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

- a. **Sports On Tap for a special event permit on December 31, 2016 at the lower level of Sports On Tap (220 South Broadway)**
- b. **10 North Main for a special event permit on December 31, 2016 at Otis & James Photography (17 South Main St.)**
- c. **Boy Scout Troop 425 to conduct a raffle on February 16, 2017 at Congregational United Church of Christ (430 North Broadway)**
- d. **Frozen Fingers Music Association to conduct a raffle on February 11, 2017 at the Sleep Inn of Minot (2400 10th St SW)**
- e. **Mule Deer Foundation for a site authorization to conduct a raffle on February 24, 2017 at the Grand Hotel (1505 North Broadway)**
- f. **Souris River Basin Longbeards to conduct a raffle on February 11, 2017 at the Grand Hotel (1505 North Broadway)**
- g. **Relay for Life to conduct a raffle on June 9, 2017 at MSU Campus (500 University Ave W)**
- h. **Elevation for a special event permit January 20, 2017 at General Equipment & Supplies (905 20th Ave SE)**
- i. **The Pour Farm for a special event permit on January 21, 2017 at the Parker Center (21 1st Ave SE)**
- j. **Wildwood Men's Golf League to conduct a raffle on March 25, 2017 at Knights of Columbus (2601 North Broadway)**
- k. **Minot Masonic Lodge Star In The West #33 to conduct a raffle at 2524 East Burdick Expy**

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- l. Knights of Columbus Council to conduct a raffle on March 12, 2017 at Little Flower Church (800 University Ave W)**
- m. Northern Plains Children’s Advocacy Center to conduct a raffle on February 18, 2017 at The Grand Hotel (1505 North Broadway)**
- n. Montana Dakota Utilities Co. to conduct a raffle on January 20, 2017 at the Grand Hotel (1505 North Broadway)**

The Minot Recreation Department is requesting the City Council to allow the consumption of alcohol beverages for the following locations and dates.

- a. Saturday, May 13, 2017. At the South Hill Complex including the east and west end parking lots. Men’s Early Bird Softball Tournament. 8am - 11:00pm.**
- b. Saturday, May 13, 2017. At the Sertoma Keith White North Hill Complex, including all parking lots adjacent to the complex. Men’s Early Bird Tournament. 8am- 11:00pm.**
- c. Saturday, July 22, 2017. At the Sertoma Keith White North Hill Complex, including all parking lots adjacent to the complex. Men’s and Women’s State Fair Softball Tournament. 8am – 11:00pm.**
- d. Saturday, July 22, 2017. At the South Hill Complex including the east and west end parking lots. Men’s and Women’s State Fair Softball Tournament. 8am – 11:00pm.**
- e. Sunday, July 23, 2017. At the Sertoma Keith White North Hill Complex, including all parking lots adjacent to the complex. Men’s and Women’s State Fair Softball Tournament. 8am – 11:00pm.**
- f. Sunday, July 23, 2017. At the South Hill Complex including the east and west end parking lots. Men’s and Women’s State Fair Softball Tournament. 8am – 11pm.**
- g. Saturday, August 5, 2017. At the Sertoma Keith White North Hill Complex, including all parking lots adjacent to the complex. Men’s Sate Rec 1 Softball Tournament. 8am – 11:00pm.**
- h. Saturday, August 5, 2017. At the South Hill Complex including the east and west end parking lots. Men’s State Rec 1 Softball Tournament. 8am – 11:00pm.**
- i. Sunday, August 6, 2017. At the Sertoma Keith White North Hill Complex, including all parking lots adjacent to the complex. Men’s State Rec 1 Softball Tournament. 8am – 11:00pm.**
- j. Sunday, August 6, 2017. At the South Hill Complex including the east and west end parking lots. Men’s State Rec 1 Softball Tournament. 8am – 11:00pm.**

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. 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) died in committee.

Alderman Withus 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 Sipma.

Chief Olson came forward and explained, in his research, he found that larger cities on the eastern side of North Dakota allow bars to stay open until 2:00 am whereas, most cities on the western side of the state close at 1:00 am. He said, allowing bars to serve longer would make the job more difficult for the Police Department’s night shift as it will likely cause more issues and they will occur later throughout the night.

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Upon request, the City Attorney clarified, the proposed ordinance would adopt the language in accordance to state law, including the holiday hours.

Alderman Withus moved the motion be amended to eliminate the change in closing time and keep the time at 1:00 am instead of 2:00 am. Motion failed due to lack of a second.

Alderman Kossan brought forward his concerns, which he mentioned at the previous meeting, regarding the safety issues associated with allowing an extra hour to consume alcohol. He questioned how much that hour could be worth when it comes to increasing the chances of drunk drivers.

Adam Hoffman, from the "O"riginal Bar and Nightclub, said the general consensus among bar owners is that the closing time is not a major concern. Without speaking for every bar owner, he said it doesn't make much of a difference to him. He can see it being beneficial if an event is taking place but other than that, the bars can still close at 1:00 am if they choose.

Bob Napora, of the Ranger Lounge, said he is in favor of changing the closing time to 2:00 am especially in the winter because it allows customers to stay inside longer while waiting for a cab. Bar owners can stop serving at 1:00 am but patrons can stay out of the cold.

Alderman Hedberg explained, the issue brought forward previously was that bar owners did not want to pay staff to work until 2:00 am if they were only generating revenue until 1:00 am.

Whereupon a vote was taken on the above motion by Alderman Withus, seconded by Alderman Sipma and failed by the following roll call vote: ayes: Shomento, Sipma. nays: Berg, Hedberg, Withus

4. The City Council adopt the proposed changes to the City of Minot Code of Ordinances, Section 5-3 (Open container and public consumption limited), Article I (In General), Chapter 5 (Alcoholic Beverages) as proposed by the Police Chief.

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

Chief Olson said this ordinance is similar to an ordinance in Fargo and would eliminate the problems they have experienced with after-hours clubs and unlicensed businesses. He said he would prefer the version of the ordinance that prevents businesses from using alcohol as a marketing tool but also brought a compromise which will allow businesses who do not hold an on-sale license to give alcohol away between the hours of 8:00 am and 10:00 pm. He clarified however, the business must ensure that no purchase is required, for example, a business could not offer a drink with the purchase of a haircut, as it would have to be made available to everyone without a purchase.

Alderman Shomento asked if it is currently legal for a business to offer beverages, to which Chief Olson replied, it is not but it would be legal if this option is adopted.

Upon questioning regarding any problems as a result of businesses giving free drinks, Chief Olson stated, he has not received any complaints and the drinks are usually associated with an event.

Alderman Sipma said, ideally, he would like to require all businesses who give alcohol to be licensed but there is a limited ability to do so under state law. He spoke in favor of option 2 and said it could be revisited if there are problems.

Denise Lindbo, from Gourmet Chef, questioned if their cooking classes would be permitted under this ordinance because they allow customers to bring wine to the store.

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The City Attorney stated, the event would be a private gathering which would not be considered public and is permitted as long as there is no sale of alcohol.

Alderman Sipma moved the Committee and Council adopt option 2, amending City of Minot Code of Ordinances, Section 5-3 (Open container and public consumption limited), Article I (In General), Chapter 5 (Alcoholic Beverages). Motion seconded by Alderman Shomento and carried by the following roll call vote: ayes: Berg, Hedberg, Shomento, Sipma, Withus. nays: none

4. The Committee held the proposed ordinance 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).

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

Alderman Sipma explained his proposal by saying, he would like to keep the cap in place but instead of using the official federal census, wants to change it to the estimated annual census. He recommended implementing a one-time application fee for retail liquor licenses of \$75,000 with an annual renewal remaining at \$3,125. His proposal eliminates the need to purchase separate licenses for retail liquor and for beer and wine. He would also assess a fee of \$7,500 to all private transfers of Retail liquor licenses, paid by the purchaser of the license. Finally he proposed the cap be removed from the Retail Beer and Wine category.

Melissa Lovelace, of Nola's Lounge, spoke against using the annual census. During the conversations prior to the meeting, it was discussed the 2020 census would be used to determine the limitation on licenses.

Melissa Francisco also disagreed with using the annual census. She said there was no mention of a \$7,500 transfer or \$75,000 fee before the meeting.

Alderman Sipma stated, the idea is that the closed bid process would require a minimum of \$75,000 to make sure there is a value.

John Meyers, representing Johanneson's, Inc., owners of Marketplace Foods, thanked the committee for meeting with the owner's to discuss the issue. He said, their decision was to keep the official federal census in place so the next one would occur in 2020. He mentioned, his concern is over the investment put into each business, between the buildings and the inventory and he said the threat to their licenses changes the paradigm of their business.

Alderman Sipma said the proposal can be amended to keep the official census, rather than using the annual census.

The City Attorney requested clarification on a couple issues and suggested she draft an ordinance to bring back to the Committee.

Whereupon Alderman Shomento moved the Committee hold the item while the City Attorney drafts an amendment to the ordinance. Motion seconded by Alderman Sipma 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 6:35 pm.

Respectfully Submitted,
Kelly Matalka, City Clerk