



Modernizing restaurant rules for alcohol

Frequently asked questions

What would these proposed ordinance changes do?

These proposed changes do two primary things:

- The changes would **eliminate requirements** that some restaurants in the city sell a certain amount of food, compared to the amount of alcohol they sell. The arbitrary food sales thresholds we use now are archaic and difficult to meet for many businesses, even for businesses that are well-run, positive assets to our neighborhoods.
- The changes **create a new set of tools** the City can use to take action against establishments that create problems in our neighborhoods. Modernizing the City's toolbox for dealing with problem businesses will allow the City to better address problems while making things easier for businesses that are well run.

If we don't require restaurants to meet the existing food-to-alcohol ratios, what standards will be in place to ensure that restaurants are good neighbors?

The proposed ordinance changes provide a new, clearer definition of what a restaurant must do, setting standards that all restaurants must meet without imposing arbitrary sales ratios on food and alcohol. For example, under the ordinance, restaurants must employ adequate staff both in the kitchen and for service to customers. They also must offer a full menu during all hours of the day, except for the last two hours before closing time. Although the new rules would not require a certain percentage of food sales compared to alcohol, restaurants must still derive a substantial amount of their income from the sale of food and non-alcoholic beverages, and their business plans must be written accordingly. The proposed ordinance changes will not change the type of establishment that's allowed in a particular location. That means that the types of alcohol a business can serve and the kinds of entertainment it can have won't change from what we have today. So, for instance, a neighborhood restaurant could not be replaced by a bar. The proposed ordinance also defines what a "bar area" is within a restaurant and the amount of bar area an establishment can have. This will make sure that these areas are appropriately scaled for the neighborhood and the size of the establishment.

How does this effort relate to the ballot question in Minneapolis this fall?

Currently, there are two types of restaurants with food sales requirements. In general, restaurants in commercial corridors that are outside of Downtown must make at least 60 percent of their sales in food, and 40 percent or less in alcohol. These ordinance changes would remove those outdated restrictions, although restaurants would still be required to earn a substantial amount of their revenue from non-alcohol purchases.

For restaurants outside of Downtown that are nestled in residential areas (not in commercial corridors) the current requirement is that they must make at least 70 percent of their sales in food, and 30 percent or less in alcohol. These requirements are in the City Charter and can only be changed by the voters. This November, voters in Minneapolis will vote on a ballot question which, if approved, would remove that food sales threshold for those restaurants. If that happens, the currently-proposed City ordinances would then apply to those restaurants as well. If voters do not approve the ballot measure, those restaurants will still be required by the City Charter to meet the 70/30 sales ratio.

Why did we have these sales ratios in the first place, and why aren't they needed now?

The purpose behind the adoption of sales ratio requirements was to ensure that establishments in neighborhoods outside of Downtown had the character of a restaurant, not a place that's primarily driven by alcohol sales. Over time, those requirements have become archaic and outdated, and they are not an effective way to ensure that businesses are an asset to our community. Because of the increase in popularity of things like craft beer, which frequently costs more than alcohol options previously available, the sales ratios can be difficult for even well-run restaurants to meet, which puts an unnecessary burden on them. With modernization of these ordinances, the City will have more effective tools to deal with businesses that are actually causing problems, instead of holding all businesses to an arbitrary standard that doesn't help identify or address issues.

Would this change what types of alcohol restaurants can sell?

No, these changes would not modify what kinds of alcohol different restaurants can serve. Outside Downtown, restaurants on large commercial corridors generally can serve liquor, as well as beer and wine. Smaller establishments in residential areas, not in a commercial corridor, are only able to sell wine and beer, and that would not change if these ordinance changes are adopted.

Does this mean we will have bars in places they're not allowed now?

No, these changes would not change what types of restaurants are allowed in different parts of the City. Whether a restaurant can serve wine, beer, or liquor in a certain area would stay the same as it is today. The kinds of entertainment a restaurant could provide (for example, amplified music) would also not change under the proposed ordinance changes. However, the changes would provide new tools for the City to use if a business is a problem for neighbors because of things like excessive noise.

What types of restaurants are allowed outside of Downtown, and what rules must they follow?

In neighborhoods outside of Downtown, there are two types of restaurants that can sell alcohol: those in commercial corridors and those that are nestled in residential areas (not in a commercial corridor). Here's how they would compare under the proposed new rules:

Restaurants in commercial corridors	Restaurants not in commercial corridors
<ul style="list-style-type: none">• may use up to 30 percent of their public space as a "bar area" inside the restaurant• may be required to reduce hours of outdoor patios if appropriate to the neighborhood• may reduce food service after 10 p.m.• may have more entertainment options than restaurants not in commercial corridors	<ul style="list-style-type: none">• may use up to 20 percent of their public space as a "bar area" inside the restaurant• may be required to have reduced hours• will be required to have a full menu of food available during all hours they're open• will have fewer entertainment options than restaurants in commercial corridors

What kinds of tools would this give the City to deal with businesses that cause problems?

These changes would modernize the City's toolkit for dealing with businesses that aren't good neighbors. The tools include:

- Required alcohol server training and detailed management responsibilities to help regulators ensure that restaurants are responsible operators and good neighbors.
- New regulatory tools that will allow the city to take licensing action against restaurants that cause problems, including, for example, the ability to remove entertainment licenses and reduce hours.

What is the process for making this change?

City staff, neighborhood organizations, business associations, individual license holders and policy makers have been meeting on this issue over the past year. There will be opportunities to discuss the amendments with policy makers at town hall meetings that will be scheduled in August and September. For the city ordinance amendments, a public hearing would be held at the City Council's Community Development and Regulatory Services Committee in September 2015.