



Request for City Council Committee Action from Licenses and Consumer Services

Date: September 9, 2014

To: Council Member Lisa Goodman, Chair
Community Development and Regulatory Services Committee

Subject: Eliminating Food to Alcohol Sales Ratios Ordinance Amendments

Recommendation: That the Community Development and Regulatory Services Committee approve amending Chapters 360, 362, and 363 of the Minneapolis Code of Ordinances, eliminating food to alcohol sales ratios for restaurants that serve alcohol and establishing operating standards for all alcohol establishments.

Previous Directives: This issue was introduced to the Minneapolis City Council on May 23, 2014.

Department Information

Prepared by: Linda Roberts, Assistant Manager of Business Licenses, 673-3908

Approved by:

Cathy Polasky, Director of Economic Policy and Development

Grant Wilson, Manager of Business Licenses

Presenters in Committee: Linda Roberts

Financial Impact

Other financial impact – Potential for increased state and city sales tax collection.

Community Impact

Neighborhood Notification - The public hearing notice was posted on the Business Licenses' website and sent to all license holders, neighborhood groups and business associations.

City Goals - Jobs & Economic Vitality: Businesses — big and small — start here, stay here, thrive here.

Supporting Information

Minneapolis restaurants are well known treasures of our city and have been referred to as the "restaurant revolution" making Minneapolis a destination for food and dining experiences. One

example of this success story is our craft beer industry. Customers enjoy the local tastes and support these businesses while they dine out.

Archaic codes have created a hurdle for businesses that are required to meet alcohol to food sales ratios, specifically restaurants that serve alcohol. The intent, created in the City Charter over 30 years ago, was to make sure the businesses operated as restaurants rather than nightclubs, therefore requiring businesses to closely monitor food and alcohol sale receipts. The current economy does not support these ratios. For example, if a customer orders a burger and two craft beers, the bill would show \$8 for the burger and \$16 for the beer.

City staff and industry representatives have been collaborating for several months to develop more effective tools to balance the intent of these regulations and the business needs of restaurants.

Highlights of these tools are:

- Adding a clearer definition of what a restaurant must do, including, for example, a fully equipped and functioning kitchen and staff for both the kitchen and service to customers.
- Defining the bar area, thus limiting the amount of space restaurants can devote to entertainment and the primary consumption of alcohol.
- Clarifying management responsibilities related to noise and negative secondary effects to the neighboring area.
- Providing opportunities to reduce hours, entertainment, and/or bar area when establishments are in violation in the code.
- Increasing the public hearing notice requirements.
- Strengthening the necessary aspects of a business plan to reduce negative secondary effects.
- Improving opportunities to hold businesses accountable to the information they submit on their license application related to operations.
- Requiring alcohol server training.

Outside of downtown there are two types of restaurants that can sell alcohol: those in commercial corridors with more than 7 acres of commercially zoned property and those nestled in residential areas. Here is how they compare under the proposed new rules:

Restaurants Located in Commercial Corridors	Restaurant Outside of Commercial Corridors
Sell all types of liquor.	Sell wine and strong beer.
May use up to 30% of public space inside restaurant as "bar area."	May use up to 20% of public space inside restaurant as "bar area."
May be required to reduce hours of outdoor patio if appropriate for neighborhood.	May be required to reduce hours of operation.
May reduce food service after 10 p.m.	Must provide full menu of food during the hours they are open.
Allow more entertainment options than restaurants not in commercial corridors.	Allow fewer entertainment options than restaurants in commercial corridors.

The Minneapolis Charter Commission voted unanimously to support putting this decision to the voters in November. This was influenced by the sound construction of the tools contained in these ordinance amendments.

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By Palmisano, Glidden and Frey

Amending Title 14, Chapter 360 of the Minneapolis Code of Ordinances relating to Liquor and Beer: In General.

The City Council of the City of Minneapolis do ordain as follows:

Section 1. That Section 360.10 of the above-entitled ordinance be amended to read as follows:

360.10. Definitions. Whenever used in this title, unless some other meaning is clearly required by the context, the following words and phrases shall mean:

Banquet facility: An establishment which is under the control of a single proprietor or manager which has suitable facilities for serving meals on premises where the meal service consists of no less than one entree, complete with vegetable, salad, bread or rolls, and beverage, either catered or prepared on-site; which has facilities for seating not fewer than fifty (50) guests at one time at tables; which is not open to the general public but which is available for rental by individuals or groups for meetings, parties, weddings, or similar occasions; and in which the equipment and premises meet the provisions of all the food and health codes.

Bar Area: One or more spaces in an establishment that is designed and utilized primarily for the consumption of alcohol or providing entertainment. This space would include: a dance floor area, stage, game room or any space that is undefined or does not provide for seated food service. Outdoor bar areas may be calculated separately from indoor bar areas and considerations may be made for outdoor sporting courts such as bocce, volleyball or similar features. Considerations may be made for banquet rooms, set as bar area, as described in the business plan.

Beer: Malt liquor containing not more than three and two-tenths (3.2) percent of ethyl alcohol by weight.

Bona fide club: An organization for social or business purposes, or for intellectual improvement, or for the promotion of sports, where the serving of beer is incidental to and not the major purpose of the club, which organization has been an established incorporated club authorized to do business in the State of Minnesota for more than one year prior to the granting of any license to sell beer, and which, for said period, has maintained and operated a café, dining room or place for serving food or meals for its membership.

Bowling center: An establishment which is under the control of a single proprietor or manager which has no fewer than eight (8) fully functioning bowling lanes.

Brewer taproom: A brewer taproom is a facility on or adjacent to premises owned by a brewer licensed under Minn. Statute section 340A.301, Subd. 6(c), (i) or (j) and produces less than two

hundred fifty thousand (250,000) barrels of malt liquor annually, and where the on-sale and consumption of malt liquor produced by the brewer is permitted pursuant to Minn. Statute section 340A.301, Subd. 6(b).

Central Commercial District: Commencing at a point on the southwesterly bank of the Mississippi River where said riverbank is intersected by the centerline of Third Avenue north, extended; thence southwesterly along the centerline of Third Avenue north to the centerline of Holden Street; thence westerly along the centerline of Holden Street to the centerline of Twelfth Street north; thence southerly and southeasterly along the centerline of Twelfth Street north to the centerline of Hennepin Avenue; thence southwesterly along the centerline of Hennepin Avenue to the centerline of Thirteenth Street south; thence southeasterly along the centerline of Thirteenth Street south to the centerline of Lasalle Avenue; thence southwesterly along the centerline of Lasalle Avenue to the centerline of East Grant Street; thence easterly along the centerline of East Grant Street to the centerline of Portland Avenue; thence northeasterly along the centerline of Portland Avenue to the centerline of Seventh Street south; thence south and southeasterly along the centerline of Seventh Street south to the centerline of Seventh Street south to the centerline of Thirteenth Avenue; thence northeasterly along the centerline of Thirteenth Avenue extended to the southwesterly bank of the Mississippi River; thence northwesterly along said riverbank to the point of beginning; or the East Bank Commercial District described as follows: commencing at a point on the northeasterly bank of the Mississippi River where said riverbank is intersected by the centerline of the Burlington Northern Railway right-of-way where it crosses from Nicollet Island; thence northeasterly along the centerline of the railway right-of-way to the centerline of Fifth Street Northeast; thence southeasterly along Fifth Street Northeast to the centerline of Central Avenue; thence south along the centerline of Central Avenue to the centerline of Second Street southeast; thence easterly along the centerline of Second Street southeast to the centerline of Third Avenue Southeast to the northeasterly bank of the Mississippi River; thence northwesterly along said river bank to the point of beginning.

Club: A corporation organized under the laws of the State of Minnesota for civic, fraternal, social or business purposes, or for intellectual improvement or promotion of sports, which has more than fifty (50) members and for more than a year has owned, hired or leased a building or space in a building of such extent and character as may be suitable and adequate for the reasonable and comfortable accommodation of its members, and whose affairs are conducted by a board of directors, executive committee or other similar body chosen by the members at a meeting held for that purpose, none of whose members, officers, agents or employees are paid directly or indirectly any compensation by way of profit from the distribution or sale of beverages to the members of the club or to its guests beyond the amount of such reasonable salary or wages as may be fixed and voted each year by the directors or other governing body.

Cocktail room: A cocktail room is a facility on or adjacent to premises owned by a micro distillery licensed under Minn. Stat. section 340A.301 subdivision 6(c) which produces premium, distilled spirits in total quantity not to exceed 40,000 proof gallons in a calendar year, and where the on-sale and consumption of distilled spirits produced by the microdistillery is permitted pursuant to Minn. Statute section 340A.301, Subd. 6(c).

Exclusive liquor store: An establishment used exclusively for the sale of liquor, beer, cigars, cigarettes, other forms of tobacco and soft drinks, at retail "off-sale."

General food store: Any place of business carrying a stock of food supplies and primarily engaged in selling food and grocery supplies to the public.

Hotel: An establishment with resident proprietor or manager, where, for payment, food and lodging are regularly furnished to transients, and which maintains for use of its guests not less than fifty (50) guest rooms, with bedding and other suitable and necessary furnishings in each room, and which has a main entrance with suitable lobby, desk and office for the registration of guests, on the ground floor, and which employs an adequate staff to provide suitable and usual service, and which maintains under the same management and control as the rest of the establishment and has, as an integral part thereof, a dining room with appropriate facilities for seating not less than thirty (30) guests at one time where the general public is, in consideration of payment, served with meals at tables.

Intoxicating liquor: See "liquor."

Liquor: Ethyl alcohol, and any distilled, fermented, spirituous, vinous or malt beverage containing in excess of three and two-tenths (3.2) per cent of ethyl alcohol by weight.

Nonintoxicating malt liquor: See "beer."

"Off sale": Sale of liquor or beer in original packages in drugstores, general food stores and exclusive liquor stores, for consumption off or away from the premises where sold. The package shall contain not less than seven (7) ounces for malt beverages; not less than eight (8) ounces for nonmalt beverages, except that wines with an alcoholic content of less than fourteen (14) percent by volume may also be sold in six and two-fifths (62/5) ounce packages; or the metric equivalent of any of the above.

"On sale": Sale of liquor or beer by the glass (or by the bottle or can in the case of malt beverages) or by the drink for consumption on the premises where sold, only pursuant to such regulations as the state liquor control commissioner may prescribe.

Original package: Any container or receptacle holding liquor or beer which receptacle is sealed shut and has not been opened since being first filled.

Resident: A person who maintains his or her principal place of abode in the State of Minnesota and who actually lives therein with the intent that it be permanent.

Restaurant: A food and beverage service establishment as defined under Minnesota Statutes Chapter 157.15 other than a hotel, under the control of a single proprietor or manager, classified as a high or medium risk food and beverage service establishment under Minnesota Statutes Chapter 157, and the principal use of which is a sit-down restaurant as defined in Minneapolis Code of Ordinances 520.160, and which complies with the following minimum standards for the design, construction, operation, maintenance, and management of the establishment.

- (1) ~~having~~ Has appropriate and suitable interior facilities for the preparation and serving of meals;
- (2) Offers adequate interior seating for not less than fifty (50) guests at one time, for liquor establishments and 25 (twenty-five) guests at one time for wine establishments;
- (3) ~~and where, in~~ consideration of payment therefore, meals are regularly furnished prepared on-premises and served to guests seated at tables; to the general public, and which
- (4) ~~e~~Employs an adequate kitchen staff to prepare meals and an adequate staff to

provide the usual and suitable food service to its guests; and the principal part of which business is the serving of foods.

- (5) Complies with the provisions of all food and health-related codes pertaining to the kitchen, food and beverage preparation and service areas, and related equipment;
- (6) Derives a substantial amount of its income from the sale of foods including non-alcoholic beverages. To determine compliance with this requirement, the licensee shall fulfill/meet the following operational requirements:
 - a. Offers a substantial food menu of a type consistent with a full-service, sit-down high or medium risk food and beverage service establishment offering meals to guests. Prepackaged and reheatable food items shall not be considered meals for this purpose;
 - b. Offers full menu service during all hours of operation except two hours prior to closing of the restaurant. Beginning at 10 p.m. and until midnight, a reduced, late night food menu as approved by the licensing official is allowed;
 - c. Actively promotes food sales to all guests within the licensed premises of the restaurant during all hours of operation except those times specifically exempted herein;
 - d. Maintains a kitchen open for meal service, which is fully staffed and supplied with sufficient workers and food product for the menu in effect, during all hours of operation except those times specifically exempted herein;
- (7) The business records of the licensee, including federal and state tax returns, shall be available for inspection by duly authorized representatives of the city or of the city council, at all reasonable times;

Sell: All barbers and manners or means of furnishing liquor or beer, including the selling, exchange, barter, disposition of, or keeping for sale of such liquor or beer.

Section 2. That Section 360.30 of the above-entitled ordinance be amended to read as follows:

360.30. Liquor caterer's license. A holder of a State of Minnesota caterer's permit issued under the provisions of Minnesota Statutes, section 340A.404(12) may apply to operate under such caterer's permit in the City of Minneapolis using a form provided by the licensing official. Liquor catering shall be allowed in all zoning districts as defined in Chapters 546, 547, 548, 549, and 550, notwithstanding Minneapolis City Charter, Chapter 4, section 5(b). Holders of a liquor caterer's license shall comply with all provisions of the statutes, ordinances, and rules governing the retail sale of alcoholic beverages. A liquor caterer's license fee shall be as established in ~~Appendix J,~~ the License Fee Schedule.

Events that are catered in Minneapolis in accordance with Minnesota Statutes, section 340A.404(12) shall comply with the following provisions:

- (1) A liquor caterer shall keep a record of each event they cater in Minneapolis. The record shall include the location of the event, the date and time, the event contact name(s) and phone number(s), and shall provide this register to city staff upon request. It is the responsibility of the licensee to reapply for license bundles when the number of days has been reached for a particular amount of licenses purchased in advance.

- (2) The city council may by resolution establish a list of premises for which a liquor caterer may not provide services at an event without explicit approval of city council.
- (3) All events that a liquor caterer provides alcohol for must be private and not open to the public. The event coordinator shall provide a list of people who may attend the event to the liquor caterer.
- (4) No sale of beverage alcohol shall occur after 1:00 a.m.
- (5) All servers of alcohol at a catered event must have received alcohol server training as approved by the licensing official and shall be at least eighteen (18) years of age.
- (6) A liquor caterer shall staff the event with at least one (1) employee from the original licensed establishment.
- (7) A liquor caterer shall notify the police precinct and business licensing at least twenty-four (24) hours prior to any alcohol catered event pertinent details about the event using a form provided by the licensing official.
- (8) No single location in Minneapolis shall have a single liquor catered event lasting more than three (3) consecutive days, unless the license is issued in connection with a civic event or community festival as designated by the licensing official.
- (9) An application for a liquor caterer's license may be denied, or an issued license may be suspended, or revoked without refund, for any of the following reasons:
 - a. The operation of an event does or will unreasonably disturb the peace, quiet or repose of surrounding residential or commercial areas.
 - b. The operation of an event does or will contribute to crime, disorderly behavior, noise, traffic, litter or parking problems in the area near the event's location.
 - c. Any violation of the laws relating to the sale or service of alcoholic beverages.
 - d. Licensee's refusal to supply books of account and contracts pertaining to an event as set forth in this section.
 - e. Any violation of the terms of this section.
 - f. Any other good cause related to the operation of the business or venue.
- (10) Any violation of the provisions set forth in Title 14 in the Minneapolis Code of Ordinances by a licensee or his employee, agent or servant, while operating under a liquor caterer's license which occurs on the premises being catered, shall cause the licensee and his employee, agent, or servant to be subject to civil, criminal, or administrative action as provided by Title 14 and other applicable law.
- (11) Both state and city permits/licenses must be available for display upon request of any law enforcement officer or investigator designated by the licensing official for any catered event.

- (12) Liquor caterers shall maintain adequate security at catered events in Minneapolis. The caterer may coordinate this with the host facility.
- (13) If an event is to be held outside, the applicant shall indicate how the alcohol will be confined to a particular area. Exclusive outdoor events must provide at least one (1) toilet per every fifty (50) attendees.
- (14) Liquor caterers shall submit to and/or facilitate any site inspections by police, fire, or other regulatory or health agency.
- (15) Licenses issued under this section shall expire on August first of each year.

Section 3. That Section 360.50 of the above-entitled ordinance be amended to read as follows:

360.50. Entertainment restricted. ~~Unless operating under a Class A, Class B, Class C, or Class D "on sale" beer license, no music of any kind, either by phonograph, automatic piano or any other musical instrument or device of any kind or character, and no singing, dancing, vaudeville or similar entertainment, stage show or amusement of any kind shall be permitted in any place operating under an "on sale" license. Nothing herein shall prohibit the use of radio, television, taped music or jukeboxes when such use does not constitute or become a nuisance. Every license issued under this title shall be deemed presumptively to be licensed as a Class E unless a higher class of license has been expressly granted by the city council in the manner prescribed by this code. The city council may further restrict the days, hours, nature, volume, and other aspects of entertainment in any establishment, including a prohibition against all forms of live and non-live music and other entertainment, to protect the public interest, safety, repose, and welfare of residents, businesses and other uses near the establishment.~~

Section 4. That Section 360.55 of the above-entitled ordinance be amended to read as follows:

360.55. Management Responsibilites. Establishments licensed for the sale of beverage alcohol shall monitor and be responsible for the activity of employees and patrons so as to prevent negative secondary effects directly attributable to the existence of the business. License holders shall monitor all sound levels, so as to comply with state and city noise standards, generated by amplification devices employed by the establishment; patron generated sound levels, nuisance activities, criminal activities occurring on the premises; and loitering activities associated with the licensed premises, so as to protect the safety, repose, and welfare of residents, businesses and other uses near the establishment.

Section 5. That Section 360.70 of the above-entitled ordinance be amended to read as follows:

360.70. Special late hours food license. (a) Any person operating under an on-sale liquor, wine or beer license who desires to remain open for the service of food later than the hours provided in section 364.100 and section 368.70 may apply to the city council for a special late hours food license. Application shall be made on a form provided by the licensing official, containing such information as the licensing official deems necessary to verify that the conditions of this section have been met and to make a recommendation regarding the application. The annual fee for a special late hours food license shall be as established in ~~Appendix J,~~ the License Fee Schedule.

(b) The number of special late hours food licenses at any time issued and outstanding shall not exceed fifty (50).

(c) No special late hours food license shall be issued unless the establishment complies at all times with the following conditions:

(1) The establishment shall be a banquet facility as defined in section ~~362.425(b)~~ 360.10 in which the meal service required by section ~~362.425(b)~~ 360.10 is actually available during the special hours of operation authorized under the license, or

(2) The establishment shall be a restaurant which:

(i) Meets the standards set forth in section 362.390 and the standards in section 362.395 relating to percentage of revenue derived from the sale of food and nonalcoholic beverages definition of a restaurant defined in Chapter 360.10 of this code while the establishment is operating with a special late hours food license, and

(ii) Maintains a substantial menu available during special late hours which includes at least four (4) entrees, sandwiches, or other principal food items, and

(iii) Keep its business open for at least eight (8) continuous hours daily except Sunday, twelve (12) months a year, not including any hours authorized by its special late hours food license.

(d) The city council may issue a special late hours food license subject to additional conditions including, but not limited to:

(1) Limitation on the special late hours of operation or the days of the week on which special late hours are authorized;

(2) Requirements concerning menu items;

(3) Requirements concerning staffing or security levels;

(4) Any other requirement reasonably related to concerns of security, noise, litter, parking or traffic.

(e) The city council may deny, revoke, suspend or refuse to renew a special late hours food license for any of the following reasons:

(1) The existence of special late hours disturbs the peace, quiet or repose of surrounding residential or commercial areas;

(2) The existence of special late hours contributes to crime, disorderly behavior, noise, traffic, litter or parking problems in the area near the establishment;

(3) Any violation of the laws relating to sale or service of alcoholic beverages;

(4) Any violation of the terms of this section;

(5) Any other good cause related to the operation of the establishment.

(f) Nothing herein shall permit the operation of live entertainment, singing or dancing after 2:00 a.m. regardless of the class of on-sale license held by an establishment. ~~The operation of live~~

~~entertainment, singing, or dancing after 2:00 a.m. shall require a special late hours operation license under section 360.75.~~

Section 6. That Section 370.75 of the above-entitled ordinance be amended to read as follows:

360.75. Alcohol Server Training. Every on-sale establishment shall provide alcohol server training. The training format and training provider shall be approved by the licensing official.

Section 7. That Section 370.80 of the above-entitled ordinance be amended to read as follows:

360.80. Special all-night bowling, pool or billiards permit. (a) Any person operating under an "on sale" license for the sale of beer or liquor who desires to remain open twenty-four (24) hours each day for the operation of the game of bowling, pool and billiards, may apply to the city council for a special bowling, pool and billiards permit in the manner provided for the making of application for a regular bowling, pool and billiards license. The annual license fee for such special bowling, pool and billiards permit shall be as established in Appendix J, the License Fee Schedule, which shall be in addition to the fee for a regular bowling, pool and billiards license. The city council may grant or deny any such application and, if granted, the permit may be revoked for cause by the city council after due notice to the licensee and a hearing, and shall be revoked for any of the causes requiring revocation of licenses for the "on sale" of beer or liquor. No special bowling, pool and billiards permit shall be issued to anyone who is not the owner of a regular bowling, pool and billiards license. All persons holding special bowling, pool and billiards permits may keep their places of business open continuously twenty-four (24) hours each day for twelve (12) months in a year for the purpose of permitting the public to play the game of bowling, pool and billiards upon the premises covered by the special bowling, pool and billiards permit.

(b) No special all-night bowling, pool and billiards permit is necessary for any place or premises upon which the game of bowling, pool and billiards is played where no beer or liquor is sold at any time.

Section 8. That Section 370.100 of the above-entitled ordinance be amended to read as follows:

360.100. Regulation of outdoor areas in on-sale liquor, wine, and beer establishments. The following regulations shall apply to all outdoor areas in on-sale liquor, wine, and beer establishments, including establishments holding sidewalk café permits:

(a) Every outdoor area must be approved as part of the original licensed premises or by the granting of an application for expansion of the licensed premises. Any expansion of the outdoor area of a licensed premises shall require a public hearing and notification as described in section 265.300 of this Code.

(b) Entertainment:

(1) Every outdoor area shall be deemed presumptively to be licensed as Class E, unless a higher class of license has been expressly granted to the outdoor area by the city council in the manner required by this Code.

- (2) In the central commercial district described in section 360.10, the city council may grant a license to an outdoor area in any class.
- (3) Outside the central commercial district described in section 360.10, no outdoor area shall be granted a license higher than Class D and entertainment shall only be permitted on private property on street level.
- (4) Regardless of the class of license issued to an outdoor area, the city council may further restrict the days, hours, nature, volume, and other aspects of entertainment in any outdoor area, including a prohibition against all forms of nonlive music, radio, television, and other entertainment, to protect the safety, repose, and welfare of residents, businesses and other uses near the establishment.
- (5) The city council may authorize an establishment to conduct entertainment not otherwise allowed under its license in an outdoor area by permit temporarily for special events. Application for such permit shall be filed with the licensing official on a form prescribed by the licensing official. The fee for a temporary entertainment permit shall be as established in ~~Appendix J~~, the License Fee Schedule.
- (c) Service and capacity restrictions outside the downtown/eastbank commercial district. It is the policy of the city council that outdoor areas, located outside the downtown and eastbank commercial district described in section 360.10, are intended primarily for the service of patrons at tables and for the consumption of alcoholic beverages in conjunction with food service. Outside the downtown and eastbank commercial district described in section 360.10, no bar shall be located in an outdoor area except a service bar for the exclusive use of employees. Service shall be provided only at tables, however, this shall not prohibit patrons from carrying beverages from an inside area to the outdoor area. Customers shall not be allowed to occupy the outdoor area in greater numbers than the seating or service area capacity permits. An exemption to the service bar requirement of this subsection may be granted to an establishment which demonstrates that it regularly maintained a bar open for service to customers in its outdoor area prior to April 1, 1989.
- (d) The licensee shall provide food service in all outdoor areas during all hours of operation. Food service may consist of less than the full menu, but shall at all times offer a substantial choice of main courses, other food items, and nonalcoholic beverages.
- (e) All new and remodeled outdoor areas shall be handicap accessible. All existing outdoor areas shall comply with building codes relating to handicap accessibility. No outdoor area shall reduce existing handicap accessibility.
- (f) The city council may restrict the hours of operation of an outdoor area based upon proximity of the area to residential dwelling units, and upon considerations relating to the safety, repose, and welfare of residents, businesses, and other uses near the establishment.
- (g) The city council may require that access to and egress from an outdoor area only be through the door connecting it to the remainder of the premises, or to property controlled by the licensee.
- (h) The licensee shall be responsible for picking up trash and litter generated by the operation of the outdoor area within a reasonable distance from the area.

- (i) The city council may review the operation of any outdoor area in connection with the renewal of the on-sale license for the establishment, or at any other time for good cause. Violation of the terms and conditions of this section shall be grounds for revocation, suspension, or refusal to renew the on-sale license for that portion of the licensed premises pertaining to the outside area.
- (j) All special restrictions relating to the hours of operation and types of entertainment in an outdoor area shall be endorsed on an addendum to the license certificate and posted in the establishment with the license certificate.
- (k) In any on-sale liquor, wine, and beer establishment where the licensee has city council approval to operate an outdoor area, and which is located within the Central Commercial District, as defined in section 360.10, the licensee is prohibited from serving any alcoholic malt beverage or non-alcoholic beverage in an original container manufactured from glass after 11:00 p.m. In addition to the prohibition on serving alcoholic malt beverages or non-alcoholic beverages in original containers manufactured from glass, the licensee shall not allow patrons to carry such beverage containers from an indoor area into an outdoor area.

Section 9. That Section 360.120 of the above-entitled ordinance be amended to read as follows:

360.120. Proximity to schools and religious institution places of assembly. ~~No on-sale liquor, wine or beer license, except in the B4 zoning district, shall be issued for any building, room or place within three hundred (300) feet from any building space that is used primarily and regularly for any public or parochial schools said distance to be measured in a straight line from the principal public entrance of the school space to the main public entrance of the premises for which license is sought. No off-sale liquor license, except in the B4 zoning district, shall be issued for any building, room or place within three hundred (300) feet from any building space that is used primarily and regularly for any public or parochial schools or used primarily and regularly for any religious institution place of assembly, said distance to be measured in the shortest straight line from the property line of the premises or building proposed as the location for the license sought to the property line of the school or religious institution place of assembly. An establishment licensed for the off-sale of malt liquor pursuant to section 362.45 may be located within three hundred (300) feet from a building space that is used primarily and regularly for any religious institution place of assembly.~~

Section 10. That Section 360.125 of the above-entitled ordinance be amended to read as follows:

360.125. Exceptions. Section 360.120 shall not apply when:

- ~~(1) a. The premises for which a liquor, wine or beer license is sought is a restaurant as defined under section 362.390; and~~
- ~~b. Such restaurant has gross sales revenue during each fiscal year from the sale of food and beverages not containing alcohol in an amount of not less than seventy (70) percent of its total gross revenue from the sale of food and beverages; and~~
- ~~c. Such restaurant does not contain a bar area. "Bar area" shall mean any area not devoted exclusively to full restaurant service to customers seated at tables, in which consumption of alcoholic beverages is the primary activity.~~

~~Provided further that no person issued a liquor, wine or beer license under this exception, unless such license is issued for an establishment located in the B4, B4S and B4C zoning districts or in the Downtown or East Bank Commercial Districts described in section 360.10, shall display any sign advertising any alcoholic beverage on the exterior of the building nor in the windows of said building nor on any portable sign. Interior advertising shall be limited to signs directed primarily to patrons within the establishment.~~

~~(2) A license has been issued for a premises prior to the existence of a church or school within three hundred (300) feet of such premises. In such case such license may be renewed or transferred to, or an application for new ownership granted, for such premises if all the other provisions of this Chapter can be complied with.~~

~~(3) The license sought is a temporary "on sale" liquor license issued under section 362.35, a temporary "on sale" wine license issued under section 363.41 or a temporary "on sale" beer license issued under 366.40~~

~~(4) The premises for which a license is sought is located in the B4, B4S and B4C zoning districts or in the Downtown or East Bank Commercial Districts and is a restaurant as described in 362.390, a banquet facility as defined in section 360.10 or a hotel.~~

Section 11. That Chapter 360 of the above-entitled ordinance be amended by adding thereto a new Section 360.150 to read as follows:

360.150 Violation Adjudication. Violations of this section and other sections of this code or other laws where there is an admission that the violation occurred by satisfaction of the citation, or findings issued regarding violations that are adjudicated by a district, state or federal court of law, or a neutral administrative hearing officer, shall be deemed to constitute a sufficient basis for the city council to impose reasonable conditions or other adverse license action on any license or permit, including but not limited to a reduction in hours of operation, a reduction in bar area, a reduction in the levels of live entertainment allowed, amendments to security plans, or a reduction in the size of outdoor premises.

2014-OR _____

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CITY OF
MINNEAPOLIS**

By Palmisano, Glidden and Frey

Amending Title 14, Chapter 362 of the Minneapolis Code of Ordinances relating to Liquor and Beer: Liquor Licenses.

The City Council of the City of Minneapolis do ordain as follows:

Section 1. That Section 362.35 of the above-entitled ordinance be amended to read as follows:

362.35. Temporary on-sale liquor license. (a) A club or charitable, religious or other nonprofit corporation in existence for at least three (3) years or a political committee registered under Minnesota Statutes Section 10A.14 may obtain an "on-sale" license to sell liquor for consumption on premises specified in the license, including school buildings and school grounds.

(b) Application for temporary on-sale liquor license shall be made on forms provided by the licensing official and shall contain the following:

- (1) The name, address and purpose of the organization, together with the names and addresses of its officers and evidence of nonprofit status or of its status as a club under section 360.10 above.
- (2) The purpose for which the temporary on-sale liquor license is sought, together with the place, dates and hours during which liquor is to be sold.
- (3) Consent of the owner or manager of the premises, or a person or group with lawful responsibility for the premises.
- (4) A specific description of the area in which alcoholic beverages are to be dispensed and consumed which area shall be compact and contiguous in accordance with section 360.15.
- (5) Such other information as the licensing official may deem necessary.

(c) A temporary on-sale liquor license may be issued subject to the following conditions:

- (1) Such license shall be issued for a period not to exceed six (6) consecutive days.
- (2) No individual organization shall be granted more than three (3) four-day, four (4) three-day, six (6) two-day or twelve (12) one-day licenses in any combination not to exceed twelve (12) days per calendar year.

- (3) The overall purpose of the license shall be to enhance the stated purpose of the applicant organization and no private organizer or promoter shall derive excessive profits from the event. The licensing official may require presentment of the temporary licensee's and full year on-sale licensee's books of account and contracts entered into for purposes of the event to aid in the determination of compliance with this section.
 - (4) No such license shall be issued for the sale of liquor on school grounds or in school buildings or within three hundred (300) feet thereof when regularly scheduled classes are being held in the school.
 - (5) No more than twelve (12) licenses shall be granted in any one (1) calendar year at any location.
 - (6) The licensee must contract for liquor services with the holder of a full-year on-sale intoxicating liquor license issued by the City of Minneapolis whose employees have received training within the twelve (12) month period preceding the event under an approved alcohol server awareness program and who provides evidence of liquor liability insurance covering the event.
- (d) The fee for a temporary liquor license shall be as established in ~~Appendix J~~, the License Fee Schedule.
- (e) Entertainment. A temporary on-sale liquor licensee may present entertainment as set forth in section 362.30(b) through (f) for an additional fee as established in ~~Appendix J~~, the License Fee Schedule.
- (f) The city council may deny, revoke, suspend a license for any of the following reasons:
- (1) The existence of temporary liquor disturbs the peace, quiet or repose of surrounding residential or commercial areas.
 - (2) The existence of temporary liquor contributes to crime, disorderly behavior, noise, traffic, litter or parking problems in the area near the establishment.
 - (3) Any violation of the laws relating to the sale or service of alcoholic beverages.
 - (4) Licensee's refusal to supply books of account and contracts pertaining to the event as set forth in section 362.35(c)(3).
 - (5) Any violation of the terms of this section.
 - (6) Any other good cause related to the operation of the establishment.
- (g) Licenses issued under this section are subject to all laws and ordinances governing the sale of intoxicating liquor except those laws and ordinances which by their nature are not applicable.
- (h) Licensing official to grant temporary on-sale liquor license in certain instances. When an application for a license for temporary on-sale liquor has been filed too late to be considered on the regular agendas of the city council or the appropriate committee of the council prior to the scheduled date of the event, the licensing official may issue the license if the application is filed and complete, the fee including a fifty (50) percent late fee has been paid, and the required

conditions listed above have been met. The licensing official may also deny, suspend or revoke those licenses which he/she has issued based on the reasons listed above for which the city council may deny, suspend or revoke such licenses. The issuance of a temporary on-sale liquor license is subject to compliance with all applicable health and safety laws. Concurrence with the issuance of the temporary on-sale liquor license shall be obtained from the chair of the appropriate committee of the city council and the council member representing the affected ward prior to the issuance of the license by the licensing official.

Section 2. That Section 362.36 of the above-entitled ordinance be amended to read as follows:

362.36. Temporary expansion of license. (a) On-sale liquor, wine and beer establishments may obtain a temporary expansion of license for premises directly adjacent and contiguous to a permanently licensed premises and for entertainment not otherwise allowed under the establishment's permanent license.

- (1) Application for a temporary expansion of license shall be made on forms provided by the licensing official and shall contain the following:
 - a. The name and addresses of the on-sale license holder and its owners, officers or partners.
 - b. A specific description and diagram of the area in which the temporary expansion activity is to occur. This area must be compact and contiguous to the permanently licensed premises, and be contained by physical enclosure devices.
 - c. Written consent of the owner or manager of the premises, or a person or group with lawful responsibility for the premises.
 - d. The purpose for which the temporary expansion is sought, and a detailed description of the planned activities including projected attendance, entertainment, food and beverage service, security plans, and hours of operation.
 - e. Proof that auxiliary permits for purposes of amplified music, short term food, block event, temporary structures, temporary utilities, etc., have been obtained.
 - f. Such other information as the licensing official may deem necessary.
- (2) An individual licensee may be granted up to twelve (12) temporary expansion licenses for the duration of not more than two (2) consecutive days so as not to exceed twelve (12) days in any twelve-month period. The limitation on the number of temporary expansion licenses granted in a twelve-month period may be waived by the licensing official for special events.
- (3) The applicant shall file proof that the liability insurance required by this Code of Ordinances and by Minnesota Statutes Chapter 340A apply to the expanded area.
- (4) The hours of operation of a temporary expansion of license shall not exceed those hours authorized at the permanent premises, or any lesser hours specified as a condition of the temporary expansion of premises license.
- (5) The fees for a temporary expansion license shall be as established in Appendix J, the License Fee Schedule.

- (6) The city council may deny, revoke, suspend a license for any of the following reasons:
- a. The existence of a temporary expansion disturbs the peace, quiet or repose of surrounding residential or commercial areas.
 - b. The existence of a temporary expansion contributes to crime, disorderly behavior, noise, traffic, litter or parking problems in the area near the establishment.
 - c. Any violation of the laws relating to the sale or service of alcoholic beverages.
 - d. Any violation of the terms of this section.
 - e. Any other good cause related to the operation of the establishment.
- (7) Licenses issued under this section are subject to all laws and ordinances governing the sale of intoxicating liquor except those laws and ordinances which by their nature are not applicable.
- (8) Licensing official to grant temporary expansion license in certain instances. When an application for a license for temporary expansion license has been filed too late to be considered on the regular agendas of the city council or the appropriate committee of the council prior to the scheduled date of the event, the licensing official may issue the license if the application is filed and complete, the fee including a fifty (50) percent late fee has been paid, and the required conditions listed above have been met. The licensing official may also deny, suspend or revoke those licenses which he/she has issued based on the reasons listed above for which the city council may deny, suspend or revoke such licenses. The issuance of a temporary expansion license is subject to compliance with all applicable health and safety laws. The limitation on the number of temporary expansion licenses granted in a twelve-month period may be waived by the licensing official for special events.
- (b) Licensing official to grant temporary expansion of premises and temporary entertainment licenses in certain places. When an application for a permit for temporary expansion of premises has been filed fewer than thirty (30) days prior to the scheduled date of the event or too late to be considered on the regular agendas of the city council or the appropriate committee of the council prior to the scheduled date of the event, the licensing official may issue the permit if the following conditions have been met:
- (1) The application form has been completed and filed.
 - (2) The fee, including a fifty (50) percent late fee has been paid.
 - (3) The applicant has not been denied an application for temporary expansion of premises by the city council since any temporary expansion granted within the previous eighteen (18) months.
 - (4) The premises have not been designated by resolution of the city council pursuant to subsection 362.36(c) as requiring city council approval for a temporary expansion of premises.

(c) The city council may by resolution establish a list of premises for which a temporary expansion of premises must be approved by the city council and for which the licensing official may not issue a permit for a temporary expansion under subsection 362.36(b).

Section 3. That Section 362.45 of the above-entitled ordinance be amended to read as follows:

362.45. "Off-sale" malt liquor. (a) A brewer licensed under Minnesota Statute 340A.301, Subdivision 6(d), (i), or (j) may be licensed for the "off-sale" of malt liquor produced and packaged on the licensed premises, subject to the following conditions:

- (1) Off-sale of malt liquor may only be made during the hours that "off-sale" of liquor may be made;
- (2) The malt liquor shall be packaged in sixty-four-ounce containers commonly known as "growlers" or in seven hundred fifty (750) milliliter bottles;
- (3) The malt liquor sold at "off-sale" must be removed from the licensed premise before the applicable closing time at exclusive liquor stores;
- (4) The "growler" must be sealed in such a manner that the seal must be broken in order to open the container and the seal must bear the name and address of the brewer, and the legend "Not for Consumption in Public" must be prominently displayed on the seal.

(b) "Off-sale" malt liquor premises shall not be subject to the requirement that they be in excess of two thousand (2,000) feet from another "off-sale" liquor premise.

(c) The annual license fee shall be as listed in ~~Appendix J~~ the License Fee Schedule.

Section 4. That Section 362.50 of the above-entitled ordinance be amended to read as follows:

362.50. License fees established. (a) The annual fees for the licenses required by this chapter shall be as established in ~~Appendix J~~, the License Fee Schedule.

(b) The annual license fee for any "on sale" liquor license may be paid in advance in two (2) equal installments, one sixty (60) days prior to the expiration of the license year and the other on or before six (6) months prior to the expiration of the license.

(c) All "on sale" and "off sale" applicants shall pay a nonrefundable investigative filing fee as established in ~~Appendix J~~, the License Fee Schedule. No fee shall be paid when the following changes are filed with the department of licenses and consumer services:

- (1) When a partner sells or transfers any share of the partnership to other members of the partnership;
- (2) When a shareholder sells all or part of his or her shares of stock to persons who are already shareholders, officers, directors, or managers of the corporation and who are already listed as such on the current application;
- (3) Any corporate reorganization where the new officers, directors, managers and shareholders are already named on the original application;

- (4) When a business wishes to eliminate Sunday sales or wishes to downgrade the class of license it holds;
- (5) When a personal representative of the estate of a deceased licensee files a certified copy of his or her appointment; or
- (6) When the licensed premises have been diminished.

Section 5. That Section 362.60 of the above-entitled ordinance be amended to read as follows:

362.60. Payment and receipt for fee; refunds. (a) The applicant shall, on or before filing of an application, pay to the licensing official the fees required under section 362.50, as established in ~~Appendix J~~, the License Fee Schedule, and the licensing official shall give to such applicant a receipt in duplicate, a copy of which receipt shall be filed with such application.

(b) If any application for a new "on sale" or "off sale" license or for a renewal of an "on sale" or "off sale" license is denied or withdrawn, the fee paid under section 362.50(a) shall be retained according to the sum specified in ~~Appendix J~~, the License Fee Schedule. If any application for a special license permitting the sale of intoxicating liquor on Sunday is denied or withdrawn, the sum established in ~~Appendix J~~, the License Fee Schedule shall be retained, and any sum over the amount specified in ~~Appendix J~~, the License Fee Schedule may be refunded.

Section 6. That Section 362.90 of the above-entitled ordinance be amended to read as follows:

362.90. Penalty for late installment. (a) Any installment of license fee which is not paid by the due date, may be paid within fifteen (15) days thereafter upon payment of an additional fee in the amount of twenty (20) percent of the installment due. Failure to make such payment within the time provided shall ipso facto cancel all rights of the licensee under the license, and the police department shall immediately close the place of business operated under such license.

(b) Provided, further, that if any former licensee, whose license has been canceled pursuant to the provisions of this section, makes an application for another license after such cancellation, such applicant shall, in addition to the payment of the required license fee, pay an additional amount as established in ~~Appendix J~~, the License Fee Schedule, to cover the necessary costs incurred by the city.

Section 7. That Section 362.120 of the above-entitled ordinance be amended to read as follows:

362.120. Contents of application. In addition to the information which may be required by the state liquor control commissioner's form, the application shall contain the following:

- (a) True name, place and date of birth, and street residence address of applicant.
- (b) Whether applicant is married or single. If married, true name, place and date of birth, and street residence address of applicant's spouse.
- (c) Whether applicant and spouse maintain their principal place of abode in the State of Minnesota.
- (d) Street addresses at which applicant has lived during the preceding ten (10) years.

- (e) Kind, name and location of every business or occupation applicant has been engaged in during the preceding ten (10) years.
- (f) Names and addresses of applicant's employers for the preceding ten (10) years.
- (g) Whether or not applicant has ever been convicted of any felony crime or ordinance violation since January 6, 1934. If so, when, where and for what such convictions were had.
- (h) Whether applicant has ever been engaged as an employee in operation of a saloon, café, soft drink parlor or other business of similar nature. If so, when, where and for how long.
- (i) Whether applicant is a natural person, corporation, partnership or unincorporated association.
- (j) If applicant is other than a natural person, the name of the manager or proprietor of the premises to be licensed, giving all the information about said manager or proprietor as is required about the applicant by subsections (a) through (h) above.
- (k) If applicant is other than a natural person, the names of all the members or owners thereof, giving all the information about said members or owners as is required about the applicant by subsections (a) through (h) above. This subsection (k), however, shall not apply to a corporation whose stock is publicly traded on a stock exchange and who is applying for an "on sale" license to be owned or operated by it.
- (l) The floor number and street number where sale of liquor is to be conducted, and if to be conducted in a hotel, the number of dining rooms open to the public where meals are regularly served to guests.
- (m) Names and addresses of the owner and any lessees of the land upon which is located the building which houses the premises to be licensed.
- (n) Names and addresses of all owners, lessees, mortgagors or vendors of fixtures or furniture used or to be used in the premises to be licensed.
- (o) Name and address of every person who shall have charge, management or control of the place licensed.
- (p) Names and residence and business addresses of three (3) persons, residents of the County of Hennepin, of good moral character, not related to the applicant, who may be referred to as to his or her character.
- (q) If applicant is a corporation, partnership, unincorporated association or club, the name and general purpose of such corporation, partnership, unincorporated association or club, and the names and street addresses of all officers. In addition, corporations shall file with the application two (2) certified copies of the bylaws, articles of incorporation and minutes of the meeting setting forth the officers of the corporation.
- (r) If applicant is a corporation, the state of incorporation, and a complete list of all stockholders with number of shares owned by each. This subsection (r), however, shall not apply to a corporation whose stock is publicly traded on a stock exchange and who is applying for an "on sale" license to be owned or operated by it.

- (s) If applicant is a partnership, the names and addresses of all partners.
- (t) If a permit from the federal government is required by the laws of the United States, whether or not such permit has been issued, and, if so, in what name.
- (u) Exact legal description of the premises to be licensed including the plat and parcel number.
- (v) Whether or not all real estate and personal property taxes for the premises to be licensed have been paid, and if not paid, the years for which delinquent.
- (w) Such other information as the city council may require.
- (x) An applicant for any "on sale" or "off sale" liquor license shall file with the application, a notarized agreement that in consideration of the granting of such a license he or she will, in the event that he or she ever hires any off-duty city employee to work at the licensed premises, hold the city harmless and assume the defense of the city against any claim or lawsuit against it, by reason of the licensee's employee also being an off-duty city employee, and that during all periods of employment of an off-duty city employee, he or she will maintain in force and effect an insurance policy written by a company authorized to do business in the State of Minnesota, insuring against public liability or damages in the sum of one hundred thousand dollars (\$100,000.00) for injury or death to one person, and three hundred thousand dollars (\$300,000.00) for each accident or occurrence, and five thousand dollars (\$5,000.00) property damage, with the city and any off-duty city employee so employed as additional named assureds, and further that during such periods of employment he or she will maintain in effect an insurance policy with workmen's compensation coverage, fully covering the off-duty city employee during periods of employment by the licensee. The granting of a license shall be deemed to be acceptance of the agreement by the city, causing it to be in full force and effect during the license period.
- (y) Evidence that notification of the application has been mailed or delivered to the ward council member, the neighborhood group(s), and the business association(s), if any, for the area in which the premises is located. The neighborhood group(s) and the business association(s) to be notified are those organizations that appear on a list maintained by the planning department for this purpose. Where the premises for which the license is sought is located on a public street that acts as a boundary between two or more such neighborhood or business organizations, the notification shall be provided to the organizations that represent the adjacent area(s). The notification shall include the following information:
 - (1) The type of license applied for.
 - (2) The address of the premises for which the license is sought.
 - (3) The applicant's name, address and telephone number.
 - (4) The type of entertainment, if any, that the applicant intends to conduct on the premises.
- (z) A business plan which shall include the following information:
 - (1) Hours of operation for the licensed premises, including a listing of hours and days of the week when live entertainment, dancing, or amplified music is allowed and/or provided;

- (2) A copy of the menu and a listing of the hours each day of the week that food from the menu is available;
- (3) Description of the alcohol server awareness program training that the applicant will provide to all staff;
- (4) Description of the type of entertainment, if any, that the applicant intends to offer on the premises and where on the premises the entertainment activity will be provided;
- (5) A security plan that describes the security features, including personnel and equipment, that the applicant will employ and how they will be utilized;
- (6) Description of how the applicant will maintain the orderly appearance and operation of the premises with respect to litter, graffiti and ~~noise~~ refuse control; and
- (7) A sound and noise management plan that describes the purpose and location of sound amplification equipment and the hours and days of the week that amplified music will be provided;
- (7) Such other reasonable and pertinent information as the city council may require. An applicant shall promptly notify the ~~director~~ licensing official, in writing, of any amendment to the submitted business plan.
- (9) A public hearing may be held to accept public comments and to provide fact finding regarding whether any proposed change in business plan is in the public interest.

Section 8. That Section 362.270 of the above-entitled ordinance be amended to read as follows:

362.270. False statements in application. No person shall make any material false statement in any written application, or operate the business in a manner other than as described in the application, and in addition to all other penalties, his or her license shall be revoked by the city council for a violation of this section after notice to the licensee and hearing, and an opportunity of the licensee to be heard.

Section 9. That Section 362.290 of the above-entitled ordinance be amended to read as follows:

362.290. Hearings on applications. If the application shall be for a new license under this chapter, including an application for a new Class A through Class D liquor license for premises which have not previously been licensed for music, dancing or live entertainment, such application shall be referred to the appropriate committee of the city council. The licensing official shall notify by mail all residents, to the extent such notice is feasible, and property owners within six hundred (600) feet of the main entrance of the proposed establishment, except that where the application is for a license within a B4 zoned district or in the downtown or East Bank commercial districts described in section 362.430, the licensing official shall only be required to notify all residents and property owners within ~~three~~ four hundred fifty (400450) feet of the main entrance of the proposed establishment. Said notice shall go to the owners of record in the office of the county auditor of the time and place at which such application shall be considered by the appropriate committee of the city council. The licensing official shall also notify the appropriate neighborhood group(s) and business association(s) of the time and place

of the hearing. The licensing official shall assess and the applicant shall remit to the Minneapolis Finance Department prior to public notification, all specific expenses incurred by the city, including those from identification of the property residents and owners, production of the notice, interdepartmental processing fees, and postage costs. The first hearing on said application shall be held at the time and place regularly fixed for the meeting of the committee.

After the first hearing on any application for a new license or for a new Class A through Class D license where any of the area within ~~three~~ four hundred fifty (~~300~~450) feet is within a residentially zoned district, the council member of the ward where the proposed premises would be located may hold a meeting on the application during evening hours at a location in the approximate vicinity of the premises proposed to be licensed. If that council member holds such a meeting, he or she shall notify the appropriate committee of the city council of the time and place of the meeting and that committee shall not act on the application until after that meeting, if that meeting is held within forty-five (45) days after the first hearing on the application. If the council member of the ward where the proposed premises would be located does not hold such a meeting within forty-five (45) days after the first hearing on the application, the committee or two (2) of its members or its staff shall hold a meeting on the application during evening hours at a location in the approximate vicinity of the premises proposed to be licensed. The chair of said committee shall notify the council member of the ward affected by the application of the time and place when the committee will consider the application, and the application shall not be disposed of by the committee until after such meeting if the application is for a new license or a new Class A through Class D license and until after the application shall have been brought before and considered by the committee at two (2) regular meetings thereof.

The final action of the committee upon any application referred to in this chapter shall be reported to the city council and by it considered and acted upon according to law.

Section 10. That Section 362.390 of the above-entitled ordinance be amended to read as follows:

362.390. "On sale" licenses outside former patrol limits. (a) "On sale" licenses shall be issued for any premises outside the liquor patrol limits existing on January 1, 1975, only to restaurants, hotels, brewer taprooms, cocktail rooms, and clubs which qualify under the definitions for such establishments contained in section 360.10 of this Code of Ordinances, ~~and which comply with Minneapolis City Charter, Chapter 4, Section 5 (first) and the additional restaurant requirements in subsection (b).~~

~~(b) As used in this section, "restaurant" shall mean an establishment:~~

~~(1) Which is under the control of a single proprietor or manager.~~

~~(2) Which has suitable kitchen facilities including a stove, refrigerator, work table, dishwashing and utensil-washing sink with sanitizing heater.~~

~~(3) Which has facilities for seating not fewer than fifty (50) guests at one (1) time at tables.~~

~~(4) Which employs an adequate staff to provide the usual and suitable table service to its guests.~~

~~(5) Where, in consideration of payment of money, meals are regularly served at tables to the general public.~~

- ~~(6) Where the meal service consists of no less than four (4) entrees, complete with vegetable, salad, bread or rolls, or sandwiches or other principal food items as approved by the licensing official, and a choice of non-alcoholic beverages. Prepackaged complete meals shall not be included in the enumerated main entrees.~~
- ~~(7) Where such meal service is provided through the normal operating hours.~~
- ~~(8) In which the equipment and premises meet the provisions of all food and health codes.~~
- ~~(c) The business records of the licensee, including federal and state tax returns, shall be available for inspection by duly authorized representatives of the city or of the city council, at all reasonable times.~~

Section 11. That Section 362.395 of the above-entitled ordinance be amended to read as follows:

362.395. "On sale" licenses in proximity to residentially zoned property. (a) It is the policy of the city council that establishments operating under this section are intended primarily for the service of patrons at tables and for the consumption of alcoholic beverages in conjunction with food service that is prepared on-site. The minimum seating capacity for an on sale liquor establishment shall be 50.

(b) After October 14, 1983, "on sale" licenses for new premises, in which the main entrance is within five hundred (500) feet from residentially zoned property, shall be issued only for premises which qualify as a "restaurant" under subsection 362.390(b) 360.10 and have a maximum bar area of not more than 30% of the total public premises. which comply with the following requirements:

- ~~(1) The establishment shall maintain, on a monthly basis, gross sales revenue during each fiscal year from the sale of food and beverages not containing alcohol in an amount of not less than sixty (60) percent of its total gross revenue from the sale of food and beverages, except that a bowling center shall maintain such revenue in an amount not less than fifty (50) percent.~~
- ~~(2) No such premises shall contain a "bar area" except as permitted herein. A "bar area" shall mean any area not devoted exclusively to full restaurant service to customers seated at tables, in which consumption of alcoholic beverages is a substantial activity, except an area predominantly used as a holding area for customers waiting for restaurant seating. The size and capacity of such an area must bear a relationship to the size and capacity of the restaurant area which is consistent with its purpose as a waiting area. A waiting area of excessive size shall not be approved.~~

~~(b) The business records of the licensee, including federal and state tax returns, shall be available for inspection by duly authorized representatives of the city or of the city council at all reasonable times.~~

~~(c) In the event the city disputes the license applicant's statements, the matter shall be submitted to a neutral certified public accountant determined by the city. The certified public accountant shall make a determination based on accepted accounting principles, which shall be binding on both parties. The license applicant shall make any records available to such person as may be necessary to verify the statements. The entire cost of such audit and determination~~

~~shall be paid by the applicant. Prior to such audit, the applicant shall post a bond or cash in an amount which the city believes reasonably necessary to pay the cost of the audit.~~

2014-OR _____

**AN ORDINANCE
of the
CITY OF
MINNEAPOLIS**

By Palmisano, Glidden and Frey

Amending Title 14, Chapter 363 of the Minneapolis Code of Ordinances relating to Liquor and Beer: Wine License.

The City Council of the City of Minneapolis do ordain as follows:

Section 1. That Section 363.10 of the above-entitled ordinance be amended to read as follows:

363.10. Definitions. As used in this chapter, unless some other meaning is clearly required by the context, the following words and phrases shall mean:

Bar Area: As defined in Chapter 360.10 of this code.

Beverages: A drink of any kind.

Food: What is eaten for nourishment but excluding beverages.

~~*Gross revenue:* The total amount of receipts without regard to taxes or any other imposition.~~

~~*Restaurant:* An establishment, under the control of a single proprietor or manager, having appropriate facilities for serving meals, having facilities for interior seating of not fewer than fifty (50) guests at one (1) time at tables if the application is for a Class A through Class E wine license and having facilities for seating not fewer than twenty-five (25) guests at one (1) time at tables if the application is for a Class D through Class E wine license, and where, in consideration of payment therefore, meals are regularly served at tables to the general public, and which employs an adequate staff to provide the usual and suitable service to its guests, and which has gross sales revenue during each fiscal year from the sale of food and beverages not containing alcohol in an amount of not less than sixty (60) per cent of its total gross revenue from the sale of food and beverages.~~ As defined in Chapter 360.10 of this code.

Wine: A vinous beverage containing not more than twenty-four (24) per cent alcohol by volume.

Section 2. That Section 363.25 of the above-entitled ordinance be amended to read as follows:

363.25. On-sale intoxicating malt liquor licenses for holders of wine licenses. (a) A holder of an on-sale wine license may apply for an on-sale intoxicating malt liquor (strong beer) license in the same class as the on-sale wine license. The on-sale intoxicating malt liquor license shall be coterminous with the on-sale wine license, and shall be deemed revoked, suspended, expired, or cancelled upon the revocation, suspension, expiration, or cancellation of the on-sale wine license.

(b) The city council may grant an application for on-sale intoxicating malt liquor license upon a finding that:

~~(1) The applicant meets all of the conditions and requirements for an on-sale wine license;~~

~~(2) The licensed premises does not contain a "bar area" except as permitted herein. A "bar area" shall mean any area not devoted exclusively to full restaurant service to customers seated at tables, in which consumption of alcoholic beverages is the primary activity, except an area predominantly used as a holding area for customers waiting for restaurant seating. The size and capacity of such an area must bear a relationship to the size and capacity of the restaurant area which is consistent with its purpose as a waiting area. A waiting area of excessive size shall not be approved.~~

(c) The on-sale intoxicating malt liquor license, when held in conjunction with an on-sale wine license, shall permit the on-sale of both intoxicating and nonintoxicating malt liquor.

(d) When the provisions of this title relating to on-sale wine licenses and on-sale beer licenses are inconsistent, the provisions relating to on-sale wine licenses shall govern.

(e) The annual fee for an on-sale intoxicating malt liquor license, when issued to the holder of an on-sale wine license, shall be as established in ~~Appendix J,~~ the License Fee Schedule, due and payable at the same time as the on-sale wine license fee.

Section 3. That Section 363.26 of the above-entitled ordinance be amended to read as follows:

363.26. On-sale nonintoxicating malt liquor licenses for holders of wine licenses. (a) A holder of an on-sale wine license may apply for an on-sale nonintoxicating malt liquor (3.2 beer) license in the same class as the on-sale wine license. The on-sale nonintoxicating malt liquor license shall be coterminous with the on-sale wine license, and shall be deemed revoked, suspended, expired, or cancelled upon the revocation, suspension, expiration, or cancellation of the on-sale wine license.

(b) The city council may grant an application for an on-sale nonintoxicating malt liquor license upon a finding that the applicant meets all of the requirements and conditions for an on-sale wine license.

(c) The on-sale nonintoxicating malt liquor license, when held in conjunction with an on-sale wine license, shall permit the on-sale of nonintoxicating malt liquor (3.2 beer).

(d) When the provisions of this title relating to on-sale wine licenses and on-sale beer licenses are inconsistent, the provisions relating to on-sale wine licenses shall govern.

(e) The annual fee for an on-sale nonintoxicating malt liquor license, when issued to the holder of an on-sale wine license, shall be as established in ~~Appendix J,~~ the License Fee Schedule due and payable at the same time as the on-sale wine license fee.

Section 4. That Section 363.41 of the above-entitled ordinance be amended to read as follows:

363.41. Temporary on-sale wine license. (a) A club or charitable, religious or other nonprofit corporation in existence for at least three (3) years or a political committee registered under Minnesota Statutes, Section 10A.14, may obtain an "on-sale" license to sell wine for

consumption on premises specified in the license, including school buildings and school grounds. The license may also include the sale of intoxicating malt beverages or 3.2 percent malt beverages.

(b) Application for temporary on-sale wine license shall be made on forms provided by the ~~director~~ licensing official and shall contain the following:

- (1) The name, address and purpose of the organization, together with the names and addresses of its officers and evidence of nonprofit status or of its status as a club under section 362.35(a) above.
- (2) The purpose for which the temporary on-sale wine license is sought, together with the place, dates and hours during which wine is to be sold.
- (3) Consent of the owner or manager of the premises, or a person or group with lawful responsibility for the premises.
- (4) A specific description of the area in which alcoholic beverages are to be dispensed and consumed which area shall be compact and contiguous in accordance with section 360.15.
- (5) Such other information as the ~~director~~ licensing official may deem necessary.

(c) A temporary on-sale wine license may be issued subject to the following conditions:

- (1) Such license shall be issued for a period not to exceed six (6) consecutive days.
- (2) No individual organization shall be granted more than three (3) four-day, four (4) three-day, six (6) two-day or twelve (12) one-day, licenses, in any combination not to exceed twelve (12) days per calendar year.
- (3) The overall purpose of the license shall be to enhance the stated purpose of the applicant organization and no private organizer or promoter shall derive excessive profits from the event. The licensing official may require presentment of the temporary licensee's and full year on-sale licensee's books of account and contracts entered into for purposes of the event to aid in the determination of compliance with this section.
- (4) No such license shall be issued for the sale of wine on school grounds or in school buildings or within three hundred (300) feet thereof when regularly scheduled classes are being held in the school.
- (5) No more than twelve (12) licenses shall be granted in any one (1) calendar year at any location.
- (6) The licensee must contract for wine services with the holder of a full-year on-sale intoxicating liquor or on-sale wine license issued by the City of Minneapolis whose employees have received training within the twelve (12) month period preceding the event under an approved alcohol server awareness program and who provides evidence of liquor liability insurance covering the event.

(d) The fee for a temporary wine license shall be as established in Appendix J, the License Fee Schedule.

(e) *Entertainment.* A temporary on-sale wine licensee may present entertainment as set forth in section 362.30(b) through (f) for an additional fee of as established in ~~Appendix J~~, the License Fee Schedule.

(f) The city council may deny, revoke, suspend a license for any of the following reasons:

(1) The existence of temporary wine disturbs the peace, quiet or repose of surrounding residential or commercial areas.

(2) The existence of temporary wine contributes to crime, disorderly behavior, noise, traffic, litter or parking problems in the area near the establishment.

(3) Any violation of the laws relating to the sale or service of alcoholic beverages.

(4) Licensee's refusal to supply books of account and contracts pertaining to the event as set forth in section 362.35(c)(3).

(5) Any violation of the terms of this section.

(6) Any other good cause related to the operation of the establishment.

(g) Licenses issued under this section are subject to all laws and ordinances governing the sale of intoxicating liquor except those laws and ordinances which by their nature are not applicable.

(h) Licensing official to grant temporary on-sale wine license in certain instances. When an application for a license for temporary on-sale wine has been filed too late to be considered on the regular agendas of the city council or the appropriate committee of the council prior to the scheduled date of the event, the licensing official may issue the license if the application is filed and complete, the fee including a fifty (50) percent late fee has been paid, and the required conditions listed above have been met. The licensing official may also deny, suspend or revoke those licenses which he or she has issued based on the reasons listed above for which the city council may deny, suspend or revoke such licenses. The issuance of a temporary on-sale wine license is subject to compliance with all applicable health and safety laws. Concurrence with the issuance of the temporary on-sale wine license shall be obtained from the chair of the appropriate committee of the city council and the council member representing the affected ward prior to the issuance of the license.

Section 5. That Section 363.42 of the above-entitled ordinance be amended to read as follows:

363.42. Wine license issued pursuant to Charter Amendment Number 144. Restaurants located in certain zoning districts may obtain and on-sale wine license notwithstanding the seven (7) acre commercial zoning requirement of Chapter 4, Section 5 of the Minneapolis Charter, subject to the following provisions:

(a) *Definitions.* As used in this section, unless some other meaning is clearly required by the context, the following words and phrases shall mean:

Restaurant: ~~An establishment, under the control of a single proprietor or manger, having appropriate facilities for the preparation and serving of a variety of at least four (4) complete meals, having not fewer than twenty five (25) seats at tables and the application is for a Class~~

~~C-2, Class E or Class D wine license, and where, in consideration of payment therefore, meals are regularly served at tables to the general public, and which employs an adequate staff to provide the usual and suitable service to its guests, and which has gross sales revenue during each fiscal year from the sale of food and beverages not containing alcohol in an amount of not less than seventy (70) percent of its total gross revenue from the sale of food and beverages. As defined in Chapter 360.10 of this code.~~

~~Bar or bar area: Structures, furniture other than freestanding tables and booths, or waiting areas, where consumption of alcoholic beverages is the primary activity. As defined in Chapter 360.10 of this code.~~

Meal: A variety and combination of food items which may contain entrees, sandwiches, combination salads, pizza, soup, breads, vegetables or fruits, contained in a menu as approved by the licensing official.

~~(b) Wine, intoxicating malt liquor, or 3.2 percent malt liquor. May only be served to patrons seated for regular dining that have ordered or have been served a meal.~~

~~(c) Establishments licensed under this section may not have a bar or bar area, as defined in Chapter 360.10 of this code that exceeds 20% of the public premises. Counter areas existing as of the effective date of this section equipped for the service of food and drink to patrons in full view of and conducted as part of the service of the dining room shall not be considered a bar or bar area.~~

(c) Allowed classes of entertainment shall be Class E, Class D, and Class C-2.

(d) *Hours of operation.* Establishments licensed under this section shall not exceed the lawful hours of operation established in chapter 363.40 (a) of this Code. The city council may require establishments licensed under this section to further reduce their hours of operation upon consideration of, but not limited to, one (1) or more of the following factors:

- (1) Proximity to permitted or conditional residential uses.
 - (2) Nature of the business and its impact of noise, light, and traffic.
 - (3) Conformance with applicable zoning regulations, including but not limited to use, yards, gross floor area, and specific development standards.
 - (4) History of complaints related to the use.
- (e) Full menu service shall remain available during all of the establishments hours of operation.
- (f) ~~Percentage of food sold.~~

~~(1) Establishments licensed under this section shall provide an accounting of the actual percentage of gross receipts attributable to the sale of food and non-alcoholic beverages during the immediately preceding calendar year. This requirement shall be established by an affidavit of the licensee on a form provided by the licensing official. Such affidavit shall be submitted with each application for issuance of renewal of the license, or at other times as the licensing official may request. Such statements shall be subject to verification by the city and the license applicant shall make such records available as may be necessary to verify~~

~~such statements. The applicant shall upon request furnish the city certified copies of any state sales tax returns covering the sale of food and beverages. The licensing official, and any time and from time to time, may require that such accounting be verified and confirmed by an independent and licensed certified public accountant who is a member of the Minnesota Society of Certified Public Accountants. Failure or refusal of a licensee to provide such accountings upon request, or any false statements in any such accounting, shall be grounds for denial, suspension or revocation of all licenses held by such licensee for the on-sale of wine.~~

~~(2) In the event the city disputes the license applicant's statements, the matter shall be submitted to a neutral certified public accountant agreed upon by the city and the applicant. The certified public accountant shall make a determination based on accepted accounting principles, which shall be binding on both parties. The license applicant shall post a bond or cash in an amount that the city believes reasonably necessary to pay the cost of the audit.~~

~~(g) Posting of license and outdoor seating plan.~~ Each licensee under this section shall conspicuously post the license certificate that shall list the authorized number of both indoor and outdoor seats. The licensee shall also post the approved outdoor seating plan immediately adjacent to the license certificate.

~~(hg)~~ All other provisions of this Title 14 shall apply unless by their nature are not applicable.

~~(i) This section 363.42 shall not apply to establishments in the Linden Hills neighborhood, until adoption of the Linden Hills Zoning Code Overlay. The Linden Hills neighborhood is defined as the area bounded by 36th Street and Lake Calhoun Parkway to the north, William Berry Parkway and Lake Harriet to the east, 47th Street and Fulton neighborhood to the south, and France Avenue and the cities of Edina and St. Louis Park to the west.~~

Section 6. That Section 363.50 of the above-entitled ordinance be amended to read as follows:

363.50. License fees established. (a) The annual fees for the licenses as required by this chapter shall be as established in ~~Appendix J,~~ the License Fee Schedule.

(b) The annual fee for any type of wine license must be paid sixty (60) days prior to April first of each year.

(c) All "on sale" applicants shall pay a nonrefundable investigative filing fee as established in ~~Appendix J,~~ the License Fee Schedule; except that no fee shall be paid when the following changes are filed with the department of licenses and consumer services:

- (1) When a partner sells or transfers his or her share of the partnership to other members of the partnership;
- (2) When a shareholder sells all or part of his or her shares of stock to persons who are already shareholders, officers, directors, or managers of the corporation and who are already listed as such on the current application;
- (3) Any corporate reorganization where the new officers, directors, managers and shareholders are already named on the original application;

- (4) When a business wishes to eliminate Sunday sales or wishes to downgrade the class of license it holds;
- (5) When a personal representative of the estate of a deceased licensee files a certified copy of his or her appointment; or (6) When the licensed premises have been diminished.

Section 7. That Section 363.80 of the above-entitled ordinance be amended to read as follows:

363.80. Penalty for late renewal. In the event any application is granted which has not been filed on or before sixty (60) days prior to the expiration of the license year, before the license can be issued the applicant shall pay an additional fee in the amount as established in ~~Appendix J~~, the License Fee Schedule, in addition to the regular license fee.

Section 8. That Section 363.90 of the above-entitled ordinance be amended to read as follows:

363.90. Penalty for late installment. (a) Any installment of license fee which is not paid by the due date, may be paid within fifteen (15) days thereafter upon payment of an additional fee in the amount of twenty (20) per cent of the installment due. Failure to make such payment within the time provided shall cancel all rights of the licensee under such license, and the police department shall immediately close the place of business operated under such license.

(b) Provided, further, that if any former licensee, whose license has been canceled pursuant to the provisions of this section, makes an application for another license after such cancellation, such applicant shall, in addition to the payment of the required license fee, pay an additional amount as established in ~~Appendix J~~, the License Fee Schedule to cover the necessary costs incurred by the city.

Section 9. That Section 363.270 of the above-entitled ordinance be amended to read as follows:

363.270. False statements in application. No person shall make any material false statement in any written application, or operate the business in a manner other than as described in the application, and in addition to all other penalties, his or her license shall be revoked by the city council for a violation of this section after notice to the licensee and hearing, and an opportunity of the licensee to be heard.

Section 10. That Chapter 363 of the above-entitled ordinance be amended by adding thereto a new section 363.295 to read as follows:

363.295 On sale wine licenses in proximity to residentially zoned property. (a) After October 14, 1983, "on sale" licenses for new premises, in which the main entrance is within five hundred (500) feet from residentially zoned property, shall be issued only for premises which qualify as a "restaurant" as defined in subsection 360.10 and have a maximum bar area of not more than 30% of the total public premises and which comply with the following requirements:

- (1) It is the policy of the city council that establishments operating under this section are intended primarily for the service of patrons at tables and for the consumption of alcoholic beverages in conjunction with food service that is prepared on-site.
- (2) Every license issued under this section shall be deemed presumptively to be licensed as a Class E unless a higher class of license has been expressly granted by the city council in

the manner prescribed by this code. The city council may further restrict the days, hours, nature, volume, and other aspects of entertainment in any establishment, including a prohibition against all forms of live and non-live music and other entertainment, to protect the public interest, safety, repose, and welfare of residents, businesses and other uses near the establishment.

- (3) Establishments licensed for the sale of beverage alcohol shall monitor and be responsible for the activity of employees and patrons so as to prevent negative secondary effects directly attributable to the existence of the business. License holders shall monitor all sound levels, so as to comply with state and city noise standards, generated by amplification devices employed by the establishment; patron generated sound levels, nuisance activities, criminal activities occurring on the premises; and loitering activities associated with the licensed premises, so as to protect the safety, repose, and welfare of residents, businesses and other uses near the establishment.

(b) Violations of this section and other sections of this code or other laws where there is an admission that the violation occurred by satisfaction of the citation, or findings issued regarding violations that are adjudicated by a district, state or federal court of law, or a neutral administrative hearing officer, shall be deemed to constitute a sufficient basis for the city council to impose reasonable conditions or other adverse license action on any license or permit, including but not limited to a reduction in hours of operation, a reduction in bar area, a reduction in the levels of live entertainment allowed, amendments to security plans, or a reduction in the size of outdoor premises.

Section 11. That Section 363.430 of the above-entitled ordinance is hereby repealed.

~~**363.430. Certified copy of audit required.** (a) No license shall be renewed without the applicant having filed with the police license inspector a certified copy of an audit conducted by a certified public accountant which certifies that the gross sales revenue during the preceding fiscal year from the sale of food and beverages not containing alcohol was in an amount of not less than sixty (60) percent of the total gross revenue from the sale of food and beverages. Such statements shall be subject to verification by the city and the license applicant shall make such records available as may be necessary to verify such statements. The applicant shall upon request furnish the city certified copies of any state sales tax returns covering the sale of food and beverages.~~

~~(b) — In the event the city disputes the license applicant's statements, the matter shall be submitted to a neutral certified public accountant agreed upon by the city and the applicant. The certified public accountant shall make a determination based on accepted accounting principles, which shall be binding on both parties. The license applicant shall make any records available to such person as may be necessary to verify the statements. The entire cost of such audit and determination shall be paid by the applicant. Prior to such audit, the applicant shall post a bond or cash in an amount which the city believes reasonably necessary to pay the cost of the audit.~~