



## Request for City Council Committee Action from Licenses and Consumer Services

**Date:** December 9, 2014

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

**Subject:** Minimum Seating Requirement Ordinance Amendment

**Recommendation:** That the Community Development and Regulatory Services Committee approve amending Chapters 360, 362, and 364 of the Minneapolis Code of Ordinances, changing the minimum seating requirement for establishments with an on sale liquor license from 50 seats to 25 seats.

**Previous Directives:** This issue was introduced to the Minneapolis City Council on November 14, 2014.

### Department Information

Prepared by: Grant Wilson, Manager of Business Licenses, 673-3902

Approved by:

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Cathy Polasky, Director of Economic Policy and Development

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Grant Wilson, Manager of Business Licenses

Presenters in Committee: Grant Wilson

### Financial Impact

- No financial impact.

### Community Impact

- Neighborhood Notification - The public hearing notice was posted on the Business Licenses website and sent to all on sale liquor license holders, neighborhood groups and business associations.
- City Goals - Jobs & Economic Vitality: Businesses — big and small — start here, stay here, thrive here.

## **Supporting Information**

Over 425 establishments in Minneapolis hold an on sale liquor license which allows the sale of beer, wine, and liquor for consumption on the licensed premises. An increase of over 11% in the past year, entrepreneurs range from large franchises to signature restaurants. Famous for a variety of venues including culinary specialties in a fine dining atmosphere, cultural and themed restaurants, and casual large screen sports environments.

The diversity of the industry begs for sound regulations which protect health and safety while balancing business friendly practices. Small business owners have requested a review of minimum seating requirement of 50 for all on sale liquor establishments. Some of the smaller establishments supplement their business operations with catering and take out services.

The proposed amendments request a minimum seating requirement of 25 for on sale liquor establishments. This is the same minimum requirement for on sale wine establishments. All other requirements, regulations, and standards would remain in effect to ensure license holder accountability.

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**AN ORDINANCE  
of the  
CITY OF  
MINNEAPOLIS**

**By: Frey**

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**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 (1) 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 (1) 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 (6 2/5) 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) Has appropriate and suitable interior facilities for the preparation and serving of meals;
- (2) Offers adequate interior seating for not less than ~~fifty (50)~~ twenty five (25) guests at one (1) time for liquor ~~establishments~~ and ~~twenty-five (25) guests at one (1) time for wine establishments~~;

- (3) In consideration of payment therefore, meals are regularly prepared on-premises and served to guests seated at tables;
- (4) Employs an adequate kitchen staff to prepare meals and an adequate staff to provide the usual and suitable food service to its guests;
- (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 (2) hours prior to closing of the restaurant. Beginning at 10:00 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.

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**AN ORDINANCE  
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**By: Frey**

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**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 Chapter 362.395 of the Minneapolis Code of Ordinances 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 ~~fifty (50)~~ twenty-five (25).

(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 360.10 and have a maximum bar area of not more than ~~thirty (30) percent~~ thirty percent (30%) of the total public premises.

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**AN ORDINANCE  
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**By: Frey**

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**Amending Title 14, Chapter 364 of the Minneapolis Code of Ordinances relating to Liquor and Beer: Liquor Regulations.**

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

Section 1. That Section 364.80 of the above-entitled ordinance be amended to read as follows:

**364.80. - Hours, days regulated.**

(a) No on-sale or service of liquor, wine or beer may be made:

- (1) Between 1:00 a.m. and 8:00 a.m. on the days of Monday through Saturday;
- (2) After 1:00 a.m. on Sundays, except with a valid Sunday sales license as provided in subsection (c);
- (3) Alcohol may be served or sold until 2:00 a.m. in establishments that have obtained a permit from the commissioner of public safety under Minnesota Statute Section 340A.504 subd. 7, permitting sales after 1:00 a.m.

(b) No off-sale of liquor may be made:

- (1) On Sundays;
- (2) Before 8:00 a.m. on Monday through Saturday;
- (3) After 10:00 p.m. on Monday through Saturday;
- (4) On Thanksgiving Day;
- (5) On December 25; or
- (6) After 8:00 p.m. on December 24.

(c) Sunday sales. Establishments to which "on sale" licenses have been issued or hereafter may be issued for the sale of intoxicating liquors which are hotels or restaurants ~~and which have facilities for serving not less than fifty (50) guests at one time,~~ may serve intoxicating liquors between the hours of 10:00 a.m. on Sundays and 1:00 a.m. on Mondays in conjunction with the serving of food. An establishment that has obtained a permit from the commissioner of public

safety under Minnesota Statute Section 340A.504 subd. 7 may serve intoxicating liquors between the hours of 10:00 a.m. on Sundays and 2:00 a.m. on Mondays. It is unlawful for any such establishment, directly or indirectly, to sell or serve intoxicating liquors as provided in this subsection without having first obtained a special license therefor. Application for said special license shall be made to the council in the same manner as application is made for other licenses to sell intoxicating liquor.