

To: Honorable Mayor Steffenson and City Council

CC: Heidi Nelson, City Administrator  
Joe Hogeboom, Director of Community and Economic Development  
Amy Dietl, City Clerk

From: Brett Angell, Economic Development Manager

Date: May 2, 2022

Subject: Liquor licensing city code amendments

Following inquiries from potential businesses that have expressed interest in locating in Maple Grove and in an effort to bring the liquor licensing code into alignment with current market conditions, potential changes to the code could be incorporated. Potential changes to the code would focus adding potential uses to the intoxicating liquor section, adding language focusing on a use type which is relatively newer in the market, adding an exemption to the food percentage requirement for certain business types, a potential cap on off-sale licenses, and other changes to provide additional clarity to the code. Any of the above-mentioned changes do not insinuate that a new business is forthcoming but rather would ensure the city is well-positioned to respond to business inquiries moving forward.

#### **Intoxicating liquor uses**

The current code section related to intoxicating liquor limits the potential user types to restaurants, clubs, and hotels. Incorporation of live theaters and bowling alleys could be added to this language to further align with state statute.

#### **Self-dispensing tap wall**

A recent use type that is gaining popularity nationwide is self-pouring tap rooms. These operate by means of patrons checking in at an establishment upon arrival and receiving a chipped card. Once they have a card, patrons are able to go to an area with multiple taps on the wall and pour their own beer.

### **Experiential-based business exemption**

The current on-sale beer and wine license has a requirement which requires that at least 60% of sales be attributed to the sale of food. The city has the ability to place an exemption to this requirement for certain business types, which would remove the requirement of a set percentage of sales being attributed to food. The proposed exemption would apply to businesses deemed as experiential businesses as defined in the code which are located within commercially zoned properties. This focus would be on entertainment businesses which traditionally do not offer full food service. Additionally, the exemption would be for the wine license only and not the full liquor license.

### **Off-sale license cap**

At its strategic planning session on February 12, 2022, the Council was asked if they would like to see a limit on the number of off-sale liquor licenses that are issued. It was noted that by state statute, cities of the first class may not issue more than one off-sale license for each 5,000 population. Based upon the state statute limit, Maple Grove could issue up to 14 off-sale liquor licenses. There are currently 13 off-sale liquor license holders within the city. For all other cities, the limit (if any) shall be determined by the governing body of the city. Staff researched comparable metro cities, not including those with municipal liquor stores, and found three of ten cities researched have a cap. Language for a proposed cap is not incorporated into the redlined city code attached, but could be incorporated if this is change desired by the City Council.

Upon review and recommended action by the City Council, a final version of the proposed changes to the types of liquor licensing code, if any, will be brought to a future city council meeting for adoption.