TO: Mayor Shaun Sipma
Members of the City Council

FROM: Kelly Hendershot

DATE: August 12, 2020

SUBJECT: MOVIE THEATER ALCOHOLIC BEVERAGE LICENSE

I. RECOMMENDED ACTION
   A. Approve the proposed ordinance, on first reading.

II. DEPARTMENT CONTACT PERSONS

   Kelly Hendershot – (701) 857-4755
   Chief John Klug – (701) 852-0111

III. DESCRIPTION

   At the August 3, 2020 regular City Council meeting, the City Council approved a motion directing
   the city attorney to draft an ordinance to create an alcoholic beverage license relating specifically to
   movie theaters.

   Attached is a proposed ordinance creating a new category of alcoholic beverage license relating
   specifically to movie theaters. The draft ordinance was provided directly to legal counsel for AMC
   Theatres for review and comments.

   In sum, the proposed ordinance provides:
   • Section 5-1, revised to include a definition for “Movie Theater”:
     Movie Theater shall mean any establishment whose business building contains a
     square footage of at least 7,500 square feet and fixed seating capacity for at least 150
     where motion pictures are screened regularly, and which premises meets building
     code requirements for said screenings.
   • Movie Theater license allows the on-sale of liquor, beer, and wine;
   • The annual fee for a Movie Theater license is $3,125 per year, which is consistent with a
     supper club license;
   • Movie Theater license has identical restrictions to that of a supper club, as well as some
     additional restrictions:
     o Movie ticket required for purchase of an alcoholic beverage;
     o Sales of drinks limited to one drink per customer at a time;
     o Sale or consumption of alcohol is only permitted on the licensed premises 90
       minutes before a scheduled movie screening and must cease at the conclusion of
       the last movie screening.
   • Movie Theater license-holders will need to verify compliance (gross sales of food at
     least equal to gross sales of alcoholic beverages) annually; and
   • There is no restriction on the number of Movie Theater licenses.
IV. IMPACT:

Approval of this ordinance will allow Movie Theaters to sell alcoholic beverages, so long as they meet the requirements of the City’s ordinance.

V. ALTERNATIVES

The city council could reject this proposed ordinance or modify it.

VI. TIME CONSTRAINTS

AMC Theatres plans to re-open soon and is hopeful that it will be able to obtain a license for the sale of alcoholic beverages.

VII. LIST OF ATTACHMENTS

A. Proposed Ordinance