



TO: Mayor Shaun Sipma
Members of the City Council

FROM: Kelly Matalka, City Clerk

DATE: September 7, 2021

SUBJECT: AMEND CHAPTER 5-35 OF THE CITY OF MINOT CODE OF ORDINANCES

I. RECOMMENDED ACTION

It is recommended the City Council pass an ordinance on first reading amending the City of Minot Code of Ordinances, Chapter 5-35 pertaining to exceptions to the limitation on the number of licenses.

II. DEPARTMENT CONTACT PERSONS

Kelly Matalka	701-857-4752
Kelly Hendershot	701-857-4175
John Klug	701-857-9800

III. DESCRIPTION

A. Background

The total number of available Retail Liquor licenses granted by the City of Minot is limited by the city’s population. Section 5-16 of the City of Minot Code of Ordinances states, “The total number of retail liquor licenses in force in any one (1) year shall not exceed one (1) for each one thousand five hundred (1,500) persons, or major fraction thereof, of the total population of the city. The city council may issue such additional licenses as it deems warranted by the change in population. Before the official 2020 United States Census, this population of the city shall be determined by the most recent official federal, regular, or special census. After the official 2020 United States Census, this population of the city shall be determined by the most recent official federal, regular, or special census or by the annual official United States Census Bureau population estimate.”

The official 2020 United States Census determined that Minot has a population of 48,377 residents, meaning the City can issue 32 Retail Liquor Licenses. The City currently has 28 Retail Liquor Licenses in operation, so City staff is working on the process to grant four (4) additional licenses.

Current city ordinance provides that the City can auction or bid new liquor licenses, but City staff is not aware that either process has been administered before because of prior annexations of liquor licensed establishments. Current ordinance only requires a condition that the high bidder/purchaser be qualified under section 5-18 to obtain a license.

B. Proposed Project

City staff has reviewed other cities’ practices relating to this type of process. Bismarck and Dickinson recently reviewed or used the public bidding processes relating to liquor licenses and included bid conditions including minimum bid amounts, operation timeframes (one year to begin operations), transferability limitations (license is non-transferable during the first year of operation), etc. Current City ordinance only references that the low

bidder/purchaser be eligible to hold a license under section 5-18. In order for the City Council to include additional conditions (either referenced previously or additional), City staff recommends a modification to section 5-35 to allow the City Council to incorporate minimum bids and/or other conditions.

IV. IMPACT:

A. Strategic Impact:

Increasing the number of available retail liquor licenses fits into the Council created aspiration of being dynamic and prosperous. It exemplifies the City's ability to adapt to an increasing population. Expanding the limit on licenses improves the ability to attract new businesses in Minot, improving the economy.

B. Fiscal Impact:

The application fee for a Retail Liquor License is \$3,125 annually and is deposited into the appropriate general fund revenue account. The additional funds generated by the sealed bid process would also be deposited into the general fund.

V. ALTERNATIVES

The City Council can create a process to grant additional Retail Liquor Licenses.

VI. TIME CONSTRAINTS

An ordinance amendment takes two readings before taking effect. If the proposed ordinance is adopted on first reading, City staff will prepare bid specifications for the City Council's simultaneous consideration with the second reading of the proposed ordinance and, if approved, will advertise and open bids pursuant to those specifications.

VII. LIST OF ATTACHMENTS

- A. Proposed Ordinance