



City Council Memorandum

To: Mayor Fasbender & City Councilmembers
From: Emily King, Deputy City Clerk
Date: July 18, 2022
Item: Approve Second Reading of the Proposed Amendment to City Code Regarding Alcoholic Beverages

Council Action Requested:

Approve the second reading for the purposes of considering a proposed amendment to City Code Chapters 111, 94.05, and 34 regarding alcoholic beverages.

Background Information:

Governor Walz signed the Omnibus Liquor Bill into law in May, 2022. In response, Staff is asking for Council to order a public hearing and consider amending City Code in several Chapters to allow new liquor licenses as written in the Omnibus Liquor Bill. The bill allows a municipality to expand liquor licensing as follows:

- Allowing a brewer licensed under Minnesota Statutes, section 340A.301 that produces 7,500 barrels or less of malt liquor annually to be issued a license by a municipality for off-sale of up to 128 ounces per customer per day.
- Allowing growler sales by breweries that produce as many as 150,000 barrels annually, up from the previous limit of 20,000 barrels.
- Allowing a municipality to issue an on-sale wine and an on-sale malt liquor license to a baseball team competing in a league established by the Minnesota Baseball Association, or to a person holding a concessions or management contract for beverage sales at a ballpark for the purposes of summer town ball games.
- Allowing a municipality to issue the holder of a Microdistillery license or distilled spirits manufacturer license a microdistillery or distilled spirits manufacturer cocktail license.
- Allowing a municipality to issue an on-sale intoxicating liquor license to resorts as defined in Minnesota Statutes, section 157.15, subdivision 11.
- Allowing a municipality to issue one seven-day temporary license per year to a county agricultural society for alcoholic beverage sales at a county fair.
- Allowing a municipality to issue special permits for service of alcohol through extended hours associated with the FIFA Women's World Cup competition and FIFA World Cup competition.

Financial Impact:

N/A

Advisory Commission Discussion:

N/A

Council Commission Discussion:

N/A

Attachments:

- Ordinance Amendment

ORDINANCE NO.**AN ORDINANCE FOR THE CITY OF HASTINGS, MINNESOTA, AMENDING
VARIOUS PROVISIONS OF HASTINGS CITY CODE CHAPTER 111, 94.05 AND
CHAPTER 34 REGARDING ALCOHOLIC BEVERAGES**

The City Council of the City of Hastings, Dakota County, Minnesota, does hereby ordain as follows:

SECTION 1. AMENDMENT. The Code of the City of Hastings, County of Dakota, State of Minnesota, Chapter 111.04 Types of Licenses shall be amended as follows:

111.04 Types Of Licenses

- A. *Generally.* The following licenses may be issued after compliance with this chapter and state law.
- B. *Specifically.*
1. On-sale intoxicating liquor license. On-sale intoxicating liquor licenses shall be issued only to restaurants, brew pubs, hotels and resorts, where food is prepared and served for consumption on the premises and shall permit the on-sale of intoxicating liquor or wine, if approved by the City Council.
 2. On-sale 3.2% malt liquor license. On-sale 3.2% malt liquor licenses may be issued only to clubs, restaurants, and hotels where food is prepared and served for consumption on the premises and to baseball teams competing in a league established by the Minnesota Baseball Association or to a person holding a concessions or management contract for beverage sales at a ballpark for the purpose of summer town ball games. On-sale 3.2% malt liquor licenses shall only permit the sale for consumption on the premises.
 3. On-sale wine license.
 - a. On-sale wine licenses may be issued for the sale of wine not exceeding 14% alcohol by volume, for consumption on the licensed premises only, in conjunction with the sale of food. An on-sale wine license may be issued only to a restaurant having facilities for seating at least 25 guests at one time.
 - b. The city may issue an on-sale wine license to a state-licensed bed and breakfast facility for sale only to registered guests of the facility.
 - c. On-sale wine licensees who also hold an on-sale 3.2% malt liquor license, and whose gross receipts are at least 60% attributable to the sale of food, are authorized to also sell intoxicating malt liquor at on-sale. The license

holders, as a further condition of their license, must provide to the city, upon demand, the documentation that the city deems to be necessary to demonstrate the amount of annual sales related to food. License holders who sell intoxicating malt liquor must further comply with all insurance requirements imposed by city code and state statute for the on-sale of intoxicating liquor.

- d. On sale wine licenses may be issued to baseball teams competing in a league established by the Minnesota Baseball Association or to a person holding a concessions or management contract for beverage sales at a ballpark for the purpose of summer town ball games.
4. Club license. Club on-sale intoxicating liquor licenses shall be issued only to clubs which have been in existence for 3 years or more and which meet requirements of M.S. Chapter 340A, as it may be amended from time to time; or to congressionally chartered veterans' organizations which have been in existence for 3 years or more, and which meet the requirements of M.S. Chapter 340A, as it may be amended from time to time.
5. Sunday liquor license. On-sale Sunday liquor licenses shall be issued only to hotels, restaurants, microdistilleries, or clubs which have facilities for serving food to not less than 30 guests at one time and which have been issued an on-sale intoxicating liquor license, on-sale brew pub license, or on-sale cocktail room license. On-sale Sunday liquor licenses may be issued to brewery taprooms which have been issued an on-sale brewery taproom license. Brew pubs holding a valid off-sale brew pub license may sell off-sale on Sundays during the hours allowed for Sunday off-sale of intoxicating malt liquor produced on-site and shall be subject to all conditions and restrictions contained in M.S. § 340A.24. Small brewers holding a valid off-sale brewery taproom license may sell off-sale on Sundays during the hours allowed for Sunday off-sale of intoxicating malt liquor produced on-site and shall be subject to all conditions and restrictions contained in M.S. § 340A.28 and M.S. § 340A.285.
6. Bottle club license. Bottle club licenses may be issued to establishments as allowed by M.S. Chapter 340A, as it may be amended from time to time, for the consumption or display of intoxicating liquor or the serving of any liquid for the purpose of mixing with intoxicating liquor. This provision shall not apply to any person or premises otherwise licensed by the city for the sale of intoxicating liquor.
7. Off-sale intoxicating liquor license. Off-sale intoxicating liquor licenses may be granted for the off-sale of intoxicating liquor.
8. Off-sale 3.2% malt liquor license. Off-sale 3.2% malt liquor licenses shall permit only the sale of 3.2% malt liquor at retail, in the original package, for consumption off the premises.

9. Temporary on-sale intoxicating liquor license. A temporary on-sale intoxicating liquor license may be granted as provided herein.
 - a. Applicant. A club or charitable, religious, or nonprofit organization, duly incorporated as a nonprofit or religious corporation under the laws of Minnesota, and having its registered office and principal place of activity within the city, may qualify for a temporary on-sale intoxicating liquor license in connection with a social event within the city, sponsored by the applicant.
 - b. Term. The city may authorize the on-sale of intoxicating liquor for not more than 3 consecutive days, and may authorize sales on premises other than premises the applicant owns or permanently occupies.
 - c. Insurance. No temporary on-sale intoxicating liquor license shall be issued for the sale of liquor until the applicant provides the city with proof of liability insurance in the minimum amounts required by M.S. Chapter 340A, as it may be amended from time to time, now in effect. An applicant for a temporary on-sale liquor license for the sale of wine only shall not be required to provide the city with proof of liability insurance.
 - d. Other restrictions. Any temporary license issued under this chapter is subject to all state laws and rules, and city ordinances governing the sale of intoxicating liquor. All temporary licenses issued by the city under this chapter shall not be valid until approved by the Commissioner of Public Safety of the State of Minnesota.
10. Temporary on-sale 3.2% malt liquor license.
 - a. Applicant. A club or charitable, religious, or nonprofit organization, duly incorporated as a nonprofit or religious corporation under the laws of Minnesota, and having its registered office and principal place of activity within the city, may qualify for a temporary on-sale 3.2% malt liquor license.
 - b. Other restrictions. The applicant for a temporary on-sale 3.2% malt liquor license shall comply with all other state laws and rules and city ordinances governing the sale of 3.2% malt liquor within the city.
 - c. Certificate of insurance. A certificate of insurance evidencing liquor liability (dram shop) coverage as outlined in § 111.09. (Prior Code, § 3.4) Penalty, see § 10.99
11. On-sale brew pub license. On-sale brew pub licenses may be issued for a restaurant operated in the place of manufacture and shall be subject to all conditions and restrictions contained in M.S. § 340A.24. A brew pub holding a valid on-sale

intoxicating liquor license need not also obtain an on-sale brew pub license for on-sale of malt liquor produced on-site provided all such sales and operations shall be subject to all conditions and restrictions contained in M.S. § 340A.24.

12. Off-sale brew pub license. Off-sale brew pub licenses may be issued to brew pubs holding a valid on-sale brew pub license and shall be subject to all conditions and restrictions contained in M.S. § 340A.24 and M.S. § 340A.285.
13. On-sale brewery taproom license. On-sale brewery taproom licenses may be issued for the on-sale of malt liquor produced by the brewer for consumption on the premises of or adjacent to one brewery location owned by the brewer and shall be subject to all conditions and restrictions contained in M.S. § 340A.26.
14. Off-sale brewery taproom license. Off-sale brewery taproom licenses may be issued to small brewers subject to all conditions and restrictions contained in M.S. § 340A.28 and M.S. § 340A.285.
15. Off-sale microdistillery license. Off-sale microdistillery licenses may be issued to microdistilleries for the off-sale of one 750 milliliter bottle per customer per day of product manufactured on-site and shall be subject to all conditions and restrictions contained in M.S. § 340A.22.
16. On-sale cocktail room license. On-sale cocktail room licenses may be issued to microdistilleries or distilled spirits manufacturing licensees, for the on-sale of distilled liquor produced by the distiller for consumption on the premises of or adjacent to one distillery location owned by the distiller and shall be subject to all conditions and restrictions contained in M.S. § 340A.22.
17. Off-sale malt liquor small brewer licenses. A small brewer off-sale malt liquor license may also be issued, with approval of the commissioner, to a holder of a brewer's license under Minn. Stat. § 340A.301, subd. 6(c), (i) or (j) and meeting the criteria established by Minn. Stat. § 340A.29 as may be amended from time to time. The amount of malt liquor sold at off-sale under this license may not exceed 128 ounces per customer per day. The malt liquor sold off-sale must be removed from the premises before the applicable off-sale closing time. Packaging of malt liquor for off-sale under this license must comply with the provisions of Minnesota Rules, parts 7515.1080 to 7515.1120.

SECTION 2. AMENDMENT. The Code of the City of Hastings, County of Dakota, State of Minnesota, Chapter 111.05 J. License Applications for Sidewalk Cafés and Parklets shall be amended as follows:

J. Applications For Sidewalk Cafés and Parklets.

1. Any restaurant issued a license under this chapter may also apply for a sidewalk café or parklet license pursuant to Chapter 111 to expand the operation of that

restaurant onto a part, and only that part, of the public sidewalk or parking area that is compact and contiguous with the licensed premises in the manner authorized by and subject to the restrictions of this chapter and Chapter 111 for sidewalk cafés and parklets.

2. An application may be submitted at the time of making an initial application or renewal application for a license under this chapter, or at any other time.
3. An applicant shall file an application pursuant to Chapter 111 on forms provided by the City Clerk which shall include, in addition to other information required by the City, all additional information required of applicants who intend to serve alcohol within the sidewalk café or parking area.
4. While a licensee under this chapter also holds a valid and unsuspended sidewalk café or parklet license under Chapter 111 for the same licensed premises, the licensee's license to serve liquor, wine or beer shall extend to the compact and contiguous space licensed under the sidewalk café or parklet license. No licensee shall serve, or allow to be served, liquor, wine or beer within any designated areas while the applicable licenses issued under this chapter is expired, suspended or revoked.

SECTION 3. AMENDMENT. The Code of the City of Hastings, County of Dakota, State of Minnesota, Chapter 111.05 shall be amended as follows:

- K. *Applications for World Cup Permit.* On-sale intoxicating liquor license holders and 3.2 percent malt liquor license holders may apply for a special permit for service of alcohol during extended hours during a live broadcast of a World Cup match. The permit authorizes the sale of alcoholic beverages for up to 30 minutes before, during and up to 30 minutes after a broadcast of a live World Cup match. This special permit expires Sept 1, 2023.

SECTION 4. AMENDMENT. The Code of the City of Hastings, County of Dakota, State of Minnesota, Chapter 111.06 License Fees shall be amended by adding a new license as follows:

19. Off-sale malt liquor small brewer license. The annual fee for an off-sale malt liquor small brewer license will be established by ordinance.

SECTION 5. AMENDMENT. The Code of the City of Hastings, County of Dakota, State of Minnesota, Chapter 111.11.A. Hours and Days of Sale shall be amended as follows:

- A. *Generally.* Liquor licenses issued under this chapter are subject to the hours and days of sale as outlined in M.S. § 340A.504, as applicable, and as it may be amended from time to time or as allowed by a special license or permit issued by the Council for a live World Cup broadcast. Hours and days not specified in state statute will be set by Council resolution. The closing hours listed below are assuming the licensee has obtained the

necessary approvals from the state for a 2:00 a.m. closing. If required approvals are not received, then the closing shall be at 1:00 a.m. for closing times listed in divisions (B), (C)(1), and (C)(2) below.

SECTION 6. AMENDMENT. The Code of the City of Hastings, County of Dakota, State of Minnesota, Chapter 111.25 Consumption of Beer or Liquor on Streets and Public Property shall be amended as follows:

111.25 Consumption Of Beer Or Liquor On Streets And Public Property

Except as hereinafter provided, it is unlawful for any person to consume or to possess in an unsealed container, beer or liquor, as those terms as defined in this code, on any street or other public property except within licensed sidewalk cafés or parklets or city parks during the hours when the parks are open to the public or except when specifically prohibited by other ordinance of the City of Hastings as to particular parks. Provided, that this section shall not apply to the possession of an unsealed container in a motor vehicle on streets or public property when the container is kept in the trunk of the vehicle if it is equipped with trunk, or kept in some other area of the vehicle not normally occupied by the driver or passengers, if the motor is not equipped with a trunk. For the purpose of this section, a utility or glove compartment shall be deemed to be within the same area occupied by the driver or passengers.

SECTION 7. AMENDMENT. The Code of the City of Hastings, County of Dakota, State of Minnesota, Chapter 94.05 Additional Unlawful Acts in Parks shall be amended as follows:

- A. Build or maintain a recreational fire in any park except in places or facilities provided;
- B. Drive or operate any motorized vehicle of any type whatsoever in any area of a park other than parking lots and designated roadways, it being specifically prohibited hereby to operate any motorized vehicles on any bicycle path, hiking trail, or walkway;
- C. It is unlawful for any person to consume or be in possession of intoxicating liquor in any City park at any time. It is unlawful for any person to consume or be in possession of intoxicating malt liquor, wine or 3.2% malt liquor, wine or 3.2% malt liquor in any City park between the hours of 10:00 p.m. and 8:00 a.m.; the following provisions also apply:
 1. Veterans Athletic Complex where possession or consumption of intoxicating liquor is prohibited at all times, however; wine or intoxicating malt liquor shall be permitted between the hours of 8:00 a.m. and 11:00 p.m. Such hours may be extended if conducted in conjunction with an on-sale wine or 3.2 malt liquor license issued for a town ball game, pursuant to City Code Section 111.04.B.
 2. Special Events in any City park; sales, possession or consumption of intoxicating liquor is prohibited at all times, however; wine or intoxicating malt liquor shall be permitted between 8:00 a.m. and 11:00 p.m. when such sales, possession and consumption are in conjunction with the issuance of a temporary on-sale wine and beer liquor license issued to a qualified entity as part of a community wide festival; such sale, possession and consumption is in a confined area approved by the City

Council; and in compliance with all other conditions the council reasonably deems necessary to protect the public health, safety and welfare.

SECTION 8. AMENDMENT. The Code of the City of Hastings, County of Dakota, State of Minnesota, Chapter 34 Fees shall be amended by adding the following fees under “Liquor License”:

- World Cup Special Permit \$250.00
- Off-sale license fee (includes Brew Pub, Brewery Taproom, Microdistillery, Small Brewer)

SECTION 9. SUMMARY PUBLICATION. Pursuant to Minnesota Statutes Section 412.191, in the case of a lengthy ordinance, a summary may be published. While a copy of the entire ordinance is available without cost at the office of the City Clerk, the following summary is approved by the City Council and shall be published in lieu of publishing the entire ordinance.

The text amendment adopted by the Hastings City Council on _____, 2022 modifies the City Ordinance to allow legislatively authorized licenses for town ball baseball games, live broadcast of World Cup soccer, a new off-sale malt liquor small brewer license, and authorization to issue intoxicating liquor licenses to resorts, as well as other minor clarifications of the liquor ordinances.

SECTION 10. EFFECTIVE DATE. This ordinance shall be in full force and effect from and after its passage and publication according to law.

Passed this ____ day of _____, 2022.

Mary Fasbender, Mayor

Attest:

Kelly Murtaugh, City Clerk

Published in the _____ on July 21, 2022.