

**Mayor:**  
Mark Steffenson



**Address:**  
12800 Arbor Lakes Pkwy  
Maple Grove, MN 55369

**Councilmembers:**  
Karen Jaeger  
Phil Leith  
Judy Hanson  
Kristy Barnett

**City Council Work  
Session  
Meeting Agenda  
May 2, 2022 - 6:30 p.m.**

**Phone:**  
763-494-6000

**Website:**  
[maplegrovern.gov](http://maplegrovern.gov)

**"Serving Today, Shaping Tomorrow"**

1. CALL TO ORDER
2. Liquor licensing city code amendments

Documents:

[Memo Liquor license city code amendments 05-02-2022.pdf](#)  
[Attachment A - Redlined liquor licensing code.pdf](#)  
[Attachment B - Memo 02-25-22.pdf](#)

**ADJOURNMENT**

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.

### Sec. 4-3. Definitions.

Unless the context clearly indicates otherwise, the words, combinations of words, terms, and phrases used in this article shall have the meanings set forth in Minn. Stats. ch. 340A and in this section.

In addition to the definition in Minn. Stats. § 340A.101, as it may be amended from time to time, the following terms are defined for purposed of this article:

Experience-Based Entertainment means an establishment located in a Business zone or approved for the use under a PUD that offers team or group entertainment activities such as bocce, axe throwing, escape rooms, classes and workshops including cooking, painting, or arts and crafts, and other team or group entertainment activities involving a physical component by participants. Experience-Based Entertainment shall not include commercial recreation, bingo or other forms of charitable gambling, live music, karaoke, message therapy, arcade or video games, hookah lounges, oxygen bars, spas, event centers, art galleries, or adult-oriented businesses.

*Interest* includes any pecuniary interest in the ownership (of 20 percent or greater), operation, management, or profits of a retail liquor establishment, and a person who receives money from time to time directly or indirectly from a licensee, in the absence of consideration and excluding gifts or donations, has a pecuniary interest in the retail license.

*Liquor*, as used in this article, without modification by the words "intoxicating" or "3.2 percent malt" includes both intoxicating liquor and 3.2 percent malt liquor.

*Restaurant* means an ~~eating facility~~establishment, other than a hotel, under the control of a single proprietor or manager, where meals are regularly prepared on the premises, and must have a restaurant license from the department of health. ~~in order to be deemed a restaurant for liquor licensing purposes. An establishment which serves prepackaged food that receives heat treatment and is served in the package or frozen pizza that is heated and served shall not be considered to be a restaurant for purposes of this article.~~

### Sec. 4-7. Types of intoxicating liquor licenses.

Licenses for intoxicating liquor shall be of the following categories, which licenses shall be granted only for the purposes permitted by state statutes and limited by this article:

- (1) On-sale intoxicating liquor, which may be issued only to restaurants as defined in section 4-3 of this article, to bowling centers under Minn. Stats. § 340A.404, subd. 1(a)(3), and to clubs, ~~and~~ hotels, and theaters as defined in Minn. Stats § 340A.101, as ~~it those statutes~~ may be amended from time to time, and shall permit the sale and consumption of alcoholic beverages on the licensed premises only.
- (2) On-sale wine licenses, with the approval of the commissioner of public safety to restaurants that have facilities for seating at least 25 guests at one time and meet the criteria of Minn. Stats. § 340A.404, subd. 5, as it may be amended from time to time. The holder of an on-sale wine license who also holds an on-sale 3.2 percent malt liquor license is authorized to sell malt liquor with a content over 3.2 percent (strong beer) without an additional license if ~~its~~their gross receipts are at least 60 percent attributable to the sale of food or its business is primarily Experience-Based Entertainment as defined in Sec 4-3 of this article.
- (3) Off-sale intoxicating liquor, which may be issued only to exclusive liquor stores.
- (4) Brewpub off-sale malt liquor license as provided in Minn. Stats. § 340A.301, subd. 7, which may be issued to a brewer who holds a brewer license issued by the Minnesota Commissioner of Public Safety for the operation of a brewpub and shall be operated in and as a part of a restaurant establishment for which an on-sale intoxicating liquor license has been issued by the city.
  - a. An off-sale license may be issued solely for the malt liquor produced and packaged on the licensed premises and only upon approval of the license by the Minnesota Commissioner of Public Safety.

- b. Off-sale of malt liquor shall be limited to the legal hours for off-sale pursuant to section 4-19 and must be removed from the licensed premises before the applicable off-sale closing time requirements. Notwithstanding any prohibition found in section 4-19, sales of off-sale malt liquor shall be permitted on Sundays during the hours of 8:00 a.m. to 10:00 p.m., except for December 25 or December 24 after 8:00 p.m.
  - c. Only malt liquor may be brewed or manufactured at the licensed premises and not more than 3,500 barrels of malt liquor in a calendar year may be brewed or manufactured at the licensed premises.
  - d. The malt liquor sold off-sale shall be packaged in 64-ounce containers commonly known as "growlers" and shall have the following requirements for packaging:
    - i. The containers shall bear a twist type closure, cork, stopper or plug.
    - ii. At the time of sale, a paper or plastic adhesive band, strip or sleeve shall be applied to the container and extend over the top of the twist type closure, cork, stopper or plug forming a seal that must be broken upon opening of the container.
    - iii. The adhesive band, strip or sleeve shall bear the name and address of the brewer/licensee selling the malt liquor.
    - iv. The containers shall be identified as malt liquor, contain the name of the malt liquor, bear the name and address of the brewer/licensee selling the malt liquor, and the contents in the container packaged as required herein shall be considered intoxicating liquor unless the alcoholic content is labeled as otherwise in accordance with the provisions of Minnesota Rules, part 7515.1100.
- (5) Sunday on-sale intoxicating liquor licenses may be issued only to: (i) a restaurant, club or hotel, which holds an on-sale intoxicating liquor license and serves liquor only in conjunction with the service of food; and (ii) a holder of an on-sale brewer taproom license.
- (6) Temporary on-sale licenses may be issued to a club, charitable, religious, or nonprofit organization that has been in existence for at least three years and be in connection with a social event within the city sponsored by the licensee.
- a. The license may authorize sales for up to four consecutive days, and may also authorize sales on-premises other than premises the licensee owns or permanently occupies. The license may provide that the licensee may contract for intoxicating liquor catering services with the holder of a full-year on-sale intoxicating liquor license issued by the city.
  - b. Temporary on-sale intoxicating liquor licenses are subject to the terms imposed by the city, including fees and are not valid until approved by the commissioner of public safety.
  - c. The city may issue a limited number of temporary licenses in a single year.
- (7) On-sale community center authorization, which may be granted only to the holder of a retail on-sale intoxicating liquor license issued by the city or by an adjacent municipality (referred to in this subsection as the "licensee"). Upon such authorization, the licensee may dispense, if approved by the park board, intoxicating liquor at any convention, banquet, conference, meeting, or social affair conducted on the premises of the Maple Grove Community Center. Authorized licensees may be engaged to dispense intoxicating liquor at an event held by a person or organization permitted to use the premises, may dispense intoxicating liquor only to persons attending the event, and may not dispense intoxicating liquor to any person attending or participating in an amateur athletic event held on the premises.
- a. Licensees authorized to dispense intoxicating liquor in the Maple Grove Community Center shall comply with the requirements imposed upon on-sale intoxicating liquor licensees within the city, including but not limited to insurance requirements, as well as any policies established by the city

for the Maple Grove Community Center. Any insurance certificate provided to the city by a licensee shall name the city as an additional insured.

- b. Authorization to dispense intoxicating liquor within the community center shall be granted for a period of one year, at the time on-sale intoxicating liquor licenses are issued by the city. Licensees seeking authorization to dispense intoxicating liquor in the Maple Grove Community Center shall make application therefor to the deputy city clerk. To defray the costs of processing the application, licensees shall submit with their application the application fee as set from time to time by the city as set forth in section 16-81.
  - c. For the purposes of this subsection (7) the term Maple Grove Community Center shall include the Maple Grove Community Center, the Maple Grove Town Green, and Central Park of Maple Grove.
- (8) On-sale brewer taproom license may be issued to a brewer licensed under Minn. Stats. §§ 340A.301, subd. 6(c), (i) or (j) for the on-sale of malt liquor subject to the following conditions:
- a. The on-sale of malt liquor shall be limited to the legal hours for on-sale pursuant to section 4-19.
  - b. A brewer may only hold one brewer taproom license under this chapter.
  - c. The only alcohol that may be sold or consumed on the premises of a brewery taproom will be the malt liquor produced by the brewer.
  - d. The license may only be issued to a licensee operating in the I, industrial zone.
- (9) Brewer off-sale malt liquor license, as provided in Minn. Stats. § 340A.301, subd. 6d, may be issued to a brewer licensed under Minn. Stats. §§ 340A.301, subd. 6(c), (i) or (j), and issued an on-sale brewer taproom license for the off-sale of malt liquor subject to the following conditions:
- a. An off-sale license may be issued solely for the malt liquor produced and packaged on the licensed premises.
  - b. Off-sale of malt liquor shall be limited to the legal hours of off-sale pursuant to section 4-19 and malt liquor sold off-sale must be removed from the licensed premises before the applicable off-sale closing time requirements. Notwithstanding any prohibition found in section 4-19, sales of off-sale malt liquor shall be permitted on Sundays during the hours of 8:00 a.m. to 10:00 p.m., except for December 25 or December 24 after 8:00 p.m.
  - c. The amount of malt liquor sold at off-sale may not exceed the amount set forth in Minn. Stats. § 340A.301, subd. 6d.
  - d. The malt liquor sold off-sale shall be packaged in 64-ounce containers commonly known as "growlers" and shall have the following requirements for packaging:
    - i. The containers shall bear a twist-type closure, cork, stopper or plug.
    - ii. At the time of sale, a paper or plastic adhesive band, strip or sleeve shall be applied to the container and extend over the top of the twist-type closure, cork, stopper or plug forming a seal that must be broken upon opening of the container.
    - iii. The adhesive band, strip or sleeve shall bear the name and address of the brewer/licensee selling the malt liquor.
    - iv. The containers shall be identified as malt liquor, contain the name of the malt liquor, bear the name and address of the brewer/licensee selling the malt liquor, and the contents in the container packaged as required herein shall be considered intoxicating liquor unless the alcoholic content is labeled as otherwise in accordance with the provisions of Minnesota Rules, part 7515.1100.

(10) On-sale culinary class license, which may be issued to a business establishment that is not otherwise eligible for an on-sale intoxicating liquor license that, as part of its business, conducts culinary or cooking classes for which payment is made by each participant or advance reservation is required. This license authorizes the licensee to furnish to each participant in each class, at no additional cost to the participant, up to six ounces of wine or 12 ounces of intoxicating malt liquor during and as part of the class, for consumption on the licensed premises only. Any such licenses shall be issued pursuant to Minn. Stat. § 340A.4041 as may be amended from time to time.

(11) An establishment holding either an on-sale intoxicating liquor license or both an on-sale wine license and an on-sale 3.2 malt liquor license may provide and make available to patrons self-dispensing tap wall service, provided the following additional conditions are met:

a. Only malt liquor may be dispensed from the self-dispensing tap wall. No other alcohol may be dispensed from the self-dispensing tap wall.

b. All malt liquor dispensed from the self-dispensing tap wall must be consumed in the licensed premises.

c. The self-dispensing tap wall shall require access controlled by the licensee as to the method and amount of the malt liquor accessible to the patron. Each authorized access to the self-dispensing tap wall by a patron shall limit the patron to no more than 32 fluid ounces of malt liquor. Controlled access may be by any technology, method, or device so long as malt liquor cannot be drawn or obtained by a patron without being first approved for access by the licensee (or its designated employee). Each access transaction provided by the licensee to the patron shall be deemed as and constitutes a sale or the service of liquor to the patron as is otherwise regulated in this chapter.

d. Prior to any access by any patron, the patron's age shall be verified to ensure that the patron is at least 21 years of age. No person who is under the age of 21 years shall be granted access to the self-dispensing tap wall or shall be allowed to consume or possess any malt liquor.

e. All authorizations of access to the self-dispensing tap wall shall be terminated or disabled at the time of or prior to the patron leaving the licensed premises. No patron shall transfer access credentials or provide access to any other person by any means.

Any violation of the foregoing requirements is unlawful and shall be deemed a violation of this chapter and any license issued under this chapter.



## MEMORANDUM

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**TO:** Mayor and City Council

**FROM:** Heidi A. Nelson, City Administrator

**DATE:** February 25, 2022

**SUBJECT:** Maximum number of off-sale liquor licenses

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. In all other cities, the limit shall be determined by the governing body of the city.

Staff researched what other cities are allowing for a maximum number of off-sale liquor licenses. It should be noted that the following cities do not have a maximum number because they have municipal liquor stores, and those cities are: Apple Valley, Brooklyn Center, Columbia Heights, Eden Prairie, Edina, Elk River, Fridley, Lakeville, Richfield, and Wayzata.

As far as other comparable cities, please see the data below:

City	Does your city have a maximum number of off sale liquor licenses?	If yes, what is the number allowed?
Blaine	Yes	One license for every 7,000 residents
Bloomington	No	
Brooklyn Park	Yes	One license for every 4,000 residents
Burnsville	No	
Coon Rapids	Yes	Limit is 8
Eagan	No	
Plymouth	No	
St. Cloud	No	
St. Louis Park	No	
Woodbury	No	