



STAFF REPORT

TO: Mayor Keis and Members of the City Council

FROM: Heidi Heller, City Clerk

DATE: May 12, 2021

RE: 2021-2022 On-Sale Liquor License Fees

ACTION TO BE CONSIDERED:

Discuss a reduction in the 2021-2022 on-sale liquor license fees due to the continued COVID-19 pandemic restrictions for bars and restaurants.

BACKGROUND:

The COVID-19 pandemic that began in March 2020 and still continues today, has required bars and restaurants to be closed for weeks at a time, and operate at greatly reduced capacities and with reduced business hours for the last year. Many restaurants did not survive these restrictions, but luckily all of Little Canada's bars and restaurants are still open. The Council decided not to increase the on-sale liquor license fees in 2020 and 2021, and gave a credit to most of the 2020-2021 license fees by approximately 23% (based on 12 weeks of closure for bars & restaurants from March 17 - May 31, 2020). The Fiesta Feliz Event Center license fee was credited for 19 weeks because they could not reopen for a much longer period of time since the indoor capacities were so limited that they were not getting any business.

Staff is requesting the Council again consider crediting the 2021-2022 liquor license fees for the closures and reduced customer capacity since July 1, 2020. Bars and restaurants were closed except for take-out again for 28 days from November 21 - December 18, and no indoor dining allowed for another 23 days from December 19 – January 10. Restaurants have been restricted to 50% capacity for nine months: from June 10, 2020 – March 14, 2021, except for the 51 days they were closed or not allowed to have indoor dining. Since March 15, 2021, the restrictions on capacity have been loosening, and there will be no capacity limits starting on May 28, 2021.

The owner of Gordie's has stated that they were closed for 107 days in the last year, and Fiesta Feliz was closed for several months due to capacity restrictions. The State of Minnesota is waiving their 2 AM liquor license fees in 2021, so reducing or waiving the city's license fee is another option for the Council to consider. Gordie's and the Hoggsbreath are the only Little Canada businesses that are approved for the optional 2 AM liquor licenses with annual city license fees of \$375 and \$500. All eight of the on-sale liquor license holders also pay an additional \$200 per year for their Sunday Sales license.

Staff is anticipating the American Rescue Plan funds that the City will receive may be used for revenue shortfalls.

Below is a summary of the restrictions for bars & restaurants since July 1, 2020:

Out of last 10.5 months:

- Closed except for take-out for 28 days
- No indoor dining allowed for 23 days (take-out and outdoor dining only - in December & January)
- Limited to 50% capacity with max customer amounts of 100, 150 or 250 for 8 months
- Limited to 75% capacity with a max of 250 people for 1 month

The 2021 On-Sale Liquor License Fees are \$5,284 and \$1,061 (billiard halls only).

STAFF RECOMMENDATION:

Discuss and consider giving credit for the 2021-2022 Liquor License Fees based on required closures and business limitations over the past year. Options could include one or more of the following:

1. Reduce or Waive the City 2 AM liquor license fees
2. Reduce or Waive the \$200 Sunday Sales liquor license fee
3. Reduce the On-Sale liquor license fees to \$1,699.34 and \$341.22 based on this calculation:

2021 On-Sale Liquor License	\$5,284.00	\$1,061.00 Billiard Halls
8 Week Closure +No Indoor Dining	(812.92)	(163.23)
29 Weeks 50% Capacity	(1,473.42)	(295.86)
11 Weeks 75% Capacity	<u>(279.44)</u>	<u>(56.11)</u>
2021-2022 Fee (approx. 48.5% reduction)	\$2,718.21	\$545.80

4. Waive the \$5,284 and \$1,061 On-Sale liquor license fees
5. Consider other On-Sale liquor license fee reduction amounts

Minnesota bar/restaurant restriction per Governor's Executive Orders

Executive Order #	From	Through	Restriction
20-04	3-17-2020 @5pm	3-27-2020@5pm	Closed except for take-out
20-18 20-48 20-56		Extended to 5-1-20 Extended to 5-17-20 Extended to 5-31-20	
20-63	6-1-2020	6-9-2020	-Open for outdoor seating only w/6' separation– max 50 people -Open for take-out
20-74	6-10-2020	11-12-2020	-Open for 50% capacity of indoor space - max 250 people -Outdoor seating w/6' separation – max 250 people
2021-2022 LIQUOR LICENSE PERIOD			
20-74	6-10-2020	11-12-2020	-Open for 50% capacity of indoor space - max 250 people -Outdoor seating w/6' separation – max 250 people
20-96	11-13-2020 @10pm	11-20-2020	-Open for 50% capacity of indoor space – max 150 people w/6' separation -Open for outdoor seating – max 150 people total indoor + outdoor w/6' separation -Open for take-out -Must close at 10pm except for take-out
20-99	11-21-2020	12-18-2020	Closed except for take-out (28 days)
20-103	12-19-2020	1-10-2021	-No indoor dining (23 days) -Open for 50% capacity of outdoor dining w/6' separation & 4 per table – max 100 people -Open for take-out -Must close at 10pm except for take-out
21-01	1-11-2021	2-12-2021	-Open for 50% capacity of indoor space – max 150 people w/6' separation -Open for outdoor seating – max 150 people total indoor + outdoor w/6' separation -Open for take-out -Must close at 10pm except for take-out
21-07	2-13-2021	3-14-2021	-Open for 50% capacity of indoor space – max 250 people w/6' separation & 6 per table -Open for outdoor seating – max 250 people w/6' separation & 6 per table -Open for take-out -Must close at 11pm except for take-out

21-11	3-15-2021 @12pm	3-31-2021	<ul style="list-style-type: none"> -Open for 75% capacity of indoor space – max 250 people w/6’ separation & 6 per table -Open for outdoor seating w/6’ separation & 6 per table -Open for take-out -Must close at 11pm except for take-out -Events are allowed up to 50% capacity
21-11	4-1-2021	Current	<p>If following the limitations & guidance on the Stay Safe MN website:</p> <ul style="list-style-type: none"> -Larger seated restaurant venues may increase customer count up to 3,000 if they can maintain 6’ separation between tables & 6 per table -Larger establishments with sufficient outdoor space can increase customer count up to 10,000 -Events may increase capacity based on space size -Must close at 11pm except for takeout
21-21	5-7-2021@12pm	5-27-2021	<ul style="list-style-type: none"> No limit on capacity for outdoor dining No early closing time requirement
21-21	5-28-2021		No capacity limits on indoor dining